

KAISER-FRANCIS OIL COMPANY

## **Kaiser - Francis Oil Company**

Lea Co, NM (Nad 27 NME)

Bell Lake Unit North

#262H

**HOBBS OCD**

AUG 03 2016

**RECEIVED**

OH

Plan: Plan #1

## **Standard Planning Report**

12 May, 2016



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|           |                              |                              |                                   |
|-----------|------------------------------|------------------------------|-----------------------------------|
| Database: | Midland District             | Local Co-ordinate Reference: | Well #262H                        |
| Company:  | Kaiser - Francis Oil Company | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Project:  | Lea Co, NM (Nad 27 NME)      | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site:     | Bell Lake Unit North         | North Reference:             | Grid                              |
| Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Wellbore: | OH                           |                              |                                   |
| Design:   | Plan #1                      |                              |                                   |

|             |                                      |               |                |
|-------------|--------------------------------------|---------------|----------------|
| Project:    | Lea Co, NM (Nad 27 NME)              |               |                |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum:  | NAD 1927 (NADCON CONUS)              |               |                |
| Map Zone:   | New Mexico East 3001                 |               |                |

|                       |                      |                   |                     |
|-----------------------|----------------------|-------------------|---------------------|
| Site:                 | Bell Lake Unit North |                   |                     |
| Site Position:        |                      | Northing:         | 52,253,388.05 usft  |
| From:                 | Map                  | Easting:          | -28,195,200.90 usft |
| Position Uncertainty: | 0.00 usft            | Slot Radius:      | 13-3/16 "           |
|                       |                      | Latitude:         | 3° 52' 42.964 N     |
|                       |                      | Longitude:        | 134° 32' 11.650 E   |
|                       |                      | Grid Convergence: | 0.00 °              |

|                      |                           |                     |                   |
|----------------------|---------------------------|---------------------|-------------------|
| Well:                | #262H                     |                     |                   |
| Well Position        | +N/-S -51,767,928.15 usft | Northing:           | 485,459.90 usft   |
|                      | +E/-W 28,951,652.60 usft  | Easting:            | 756,451.70 usft   |
| Position Uncertainty | 0.00 usft                 | Wellhead Elevation: | 0.00 usft         |
|                      |                           | Latitude:           | 32° 19' 54.888 N  |
|                      |                           | Longitude:          | 103° 30' 11.028 W |
|                      |                           | Ground Level:       | 3,458.00 usft     |

|            |            |             |                |
|------------|------------|-------------|----------------|
| Wellbore:  | OH         |             |                |
| Magnetics: | Model Name | Sample Date | Declination    |
|            |            |             | (°)            |
|            | HDGM       | 11/2/2015   | 7.00           |
|            |            |             | Dip Angle      |
|            |            |             | (°)            |
|            |            |             | Field Strength |
|            |            |             | (nT)           |
|            |            |             | 60.20          |
|            |            |             | 48,392         |

|                   |                  |        |               |
|-------------------|------------------|--------|---------------|
| Design:           | Plan #1          |        |               |
| Audit Notes:      |                  |        |               |
| Version:          | Phase:           | PLAN   | Tie On Depth: |
|                   |                  |        | 0.00          |
| Vertical Section: | Depth From (TVD) | +N/-S  | +E/-W         |
|                   | (usft)           | (usft) | (usft)        |
|                   | 0.00             | 0.00   | 0.00          |
|                   |                  |        | Direction     |
|                   |                  |        | (bearing)     |
|                   |                  |        | 0.14          |

| Plan Sections         |                 |                   |                       |              |              |                         |                        |                       |                 |
|-----------------------|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|-----------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°)         |
| 0.00                  | 0.00            | 0.00              | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.00            |
| 9,727.04              | 0.00            | 0.00              | 9,727.04              | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.00            |
| 10,627.04             | 90.00           | 0.14              | 10,300.00             | 572.96       | 1.39         | 10.00                   | 10.00                  | 0.02                  | 0.14            |
| 18,231.11             | 90.00           | 0.14              | 10,300.00             | 8,177.00     | 19.80        | 0.00                    | 0.00                   | 0.00                  | 0.00 PBHL (#1H) |

|           |                              |                              |                                   |
|-----------|------------------------------|------------------------------|-----------------------------------|
| Database: | Midland District             | Local Co-ordinate Reference: | Well #262H                        |
| Company:  | Kaiser - Francis Oil Company | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Project:  | Lea Co, NM (Nad 27 NME)      | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site:     | Bell Lake Unit North         | North Reference:             | Grid                              |
| Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Wellbore: | OH                           |                              |                                   |
| Design:   | Plan #1                      |                              |                                   |

| Planned Survey        |                 |                   |                       |              |              |                         |                         |                        |                       |  |
|-----------------------|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 0.00                  | 0.00            | 0.00              | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 100.00                | 0.00            | 0.00              | 100.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 200.00                | 0.00            | 0.00              | 200.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 300.00                | 0.00            | 0.00              | 300.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 400.00                | 0.00            | 0.00              | 400.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 500.00                | 0.00            | 0.00              | 500.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 600.00                | 0.00            | 0.00              | 600.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 700.00                | 0.00            | 0.00              | 700.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 800.00                | 0.00            | 0.00              | 800.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 900.00                | 0.00            | 0.00              | 900.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,000.00              | 0.00            | 0.00              | 1,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,100.00              | 0.00            | 0.00              | 1,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,200.00              | 0.00            | 0.00              | 1,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,300.00              | 0.00            | 0.00              | 1,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,400.00              | 0.00            | 0.00              | 1,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,500.00              | 0.00            | 0.00              | 1,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,600.00              | 0.00            | 0.00              | 1,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,700.00              | 0.00            | 0.00              | 1,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,800.00              | 0.00            | 0.00              | 1,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 1,900.00              | 0.00            | 0.00              | 1,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,000.00              | 0.00            | 0.00              | 2,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,100.00              | 0.00            | 0.00              | 2,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,200.00              | 0.00            | 0.00              | 2,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,300.00              | 0.00            | 0.00              | 2,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,400.00              | 0.00            | 0.00              | 2,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,500.00              | 0.00            | 0.00              | 2,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,600.00              | 0.00            | 0.00              | 2,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,700.00              | 0.00            | 0.00              | 2,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,800.00              | 0.00            | 0.00              | 2,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 2,900.00              | 0.00            | 0.00              | 2,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,000.00              | 0.00            | 0.00              | 3,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,100.00              | 0.00            | 0.00              | 3,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,200.00              | 0.00            | 0.00              | 3,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,300.00              | 0.00            | 0.00              | 3,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,400.00              | 0.00            | 0.00              | 3,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,500.00              | 0.00            | 0.00              | 3,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,600.00              | 0.00            | 0.00              | 3,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,700.00              | 0.00            | 0.00              | 3,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,800.00              | 0.00            | 0.00              | 3,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 3,900.00              | 0.00            | 0.00              | 3,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,000.00              | 0.00            | 0.00              | 4,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,100.00              | 0.00            | 0.00              | 4,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,200.00              | 0.00            | 0.00              | 4,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,300.00              | 0.00            | 0.00              | 4,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,400.00              | 0.00            | 0.00              | 4,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,500.00              | 0.00            | 0.00              | 4,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,600.00              | 0.00            | 0.00              | 4,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,700.00              | 0.00            | 0.00              | 4,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,800.00              | 0.00            | 0.00              | 4,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 4,900.00              | 0.00            | 0.00              | 4,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,000.00              | 0.00            | 0.00              | 5,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,100.00              | 0.00            | 0.00              | 5,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,200.00              | 0.00            | 0.00              | 5,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,300.00              | 0.00            | 0.00              | 5,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |

|           |                              |                              |                                   |
|-----------|------------------------------|------------------------------|-----------------------------------|
| Database: | Midland District             | Local Co-ordinate Reference: | Well #262H                        |
| Company:  | Kaiser - Francis Oil Company | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Project:  | Lea Co, NM (Nad 27 NME)      | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site:     | Bell Lake Unit North         | North Reference:             | Grid                              |
| Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Wellbore: | OH                           |                              |                                   |
| Design:   | Plan #1                      |                              |                                   |

| Planned Survey        |                 |                   |                       |              |              |                         |                         |                        |                       |  |
|-----------------------|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 5,400.00              | 0.00            | 0.00              | 5,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,500.00              | 0.00            | 0.00              | 5,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,600.00              | 0.00            | 0.00              | 5,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,700.00              | 0.00            | 0.00              | 5,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,800.00              | 0.00            | 0.00              | 5,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 5,900.00              | 0.00            | 0.00              | 5,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,000.00              | 0.00            | 0.00              | 6,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,100.00              | 0.00            | 0.00              | 6,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,200.00              | 0.00            | 0.00              | 6,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,300.00              | 0.00            | 0.00              | 6,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,400.00              | 0.00            | 0.00              | 6,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,500.00              | 0.00            | 0.00              | 6,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,600.00              | 0.00            | 0.00              | 6,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,700.00              | 0.00            | 0.00              | 6,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,800.00              | 0.00            | 0.00              | 6,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 6,900.00              | 0.00            | 0.00              | 6,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,000.00              | 0.00            | 0.00              | 7,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,100.00              | 0.00            | 0.00              | 7,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,200.00              | 0.00            | 0.00              | 7,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,300.00              | 0.00            | 0.00              | 7,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,400.00              | 0.00            | 0.00              | 7,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,500.00              | 0.00            | 0.00              | 7,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,600.00              | 0.00            | 0.00              | 7,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,700.00              | 0.00            | 0.00              | 7,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,800.00              | 0.00            | 0.00              | 7,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 7,900.00              | 0.00            | 0.00              | 7,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,000.00              | 0.00            | 0.00              | 8,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,100.00              | 0.00            | 0.00              | 8,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,200.00              | 0.00            | 0.00              | 8,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,300.00              | 0.00            | 0.00              | 8,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,400.00              | 0.00            | 0.00              | 8,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,500.00              | 0.00            | 0.00              | 8,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,600.00              | 0.00            | 0.00              | 8,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,700.00              | 0.00            | 0.00              | 8,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,800.00              | 0.00            | 0.00              | 8,800.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 8,900.00              | 0.00            | 0.00              | 8,900.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,000.00              | 0.00            | 0.00              | 9,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,100.00              | 0.00            | 0.00              | 9,100.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,200.00              | 0.00            | 0.00              | 9,200.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,300.00              | 0.00            | 0.00              | 9,300.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,400.00              | 0.00            | 0.00              | 9,400.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,500.00              | 0.00            | 0.00              | 9,500.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,600.00              | 0.00            | 0.00              | 9,600.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,700.00              | 0.00            | 0.00              | 9,700.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,727.04              | 0.00            | 0.00              | 9,727.04              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |  |
| 9,750.00              | 2.30            | 0.14              | 9,749.99              | 0.46         | 0.00         | 0.46                    | 10.00                   | 10.00                  | 0.00                  |  |
| 9,800.00              | 7.30            | 0.14              | 9,799.80              | 4.64         | 0.01         | 4.64                    | 10.00                   | 10.00                  | 0.00                  |  |
| 9,850.00              | 12.30           | 0.14              | 9,849.06              | 13.14        | 0.03         | 13.14                   | 10.00                   | 10.00                  | 0.00                  |  |
| 9,900.00              | 17.30           | 0.14              | 9,897.39              | 25.91        | 0.06         | 25.91                   | 10.00                   | 10.00                  | 0.00                  |  |
| 9,950.00              | 22.30           | 0.14              | 9,944.42              | 42.84        | 0.10         | 42.84                   | 10.00                   | 10.00                  | 0.00                  |  |
| 10,000.00             | 27.30           | 0.14              | 9,989.79              | 63.80        | 0.15         | 63.80                   | 10.00                   | 10.00                  | 0.00                  |  |
| 10,050.00             | 32.30           | 0.14              | 10,033.17             | 88.64        | 0.21         | 88.64                   | 10.00                   | 10.00                  | 0.00                  |  |
| 10,100.00             | 37.30           | 0.14              | 10,074.21             | 117.16       | 0.28         | 117.16                  | 10.00                   | 10.00                  | 0.00                  |  |
| 10,150.00             | 42.30           | 0.14              | 10,112.62             | 149.15       | 0.36         | 149.15                  | 10.00                   | 10.00                  | 0.00                  |  |

|           |                              |                              |                                   |
|-----------|------------------------------|------------------------------|-----------------------------------|
| Database: | Midland District             | Local Co-ordinate Reference: | Well #262H                        |
| Company:  | Kaiser - Francis Oil Company | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Project:  | Lea Co, NM (Nad 27 NME)      | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site:     | Bell Lake Unit North         | North Reference:             | Grid                              |
| Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Wellbore: | OH                           |                              |                                   |
| Design:   | Plan #1                      |                              |                                   |

| Planned Survey:             |                    |                      |                             |                |                |                               |                               |                              |                             |
|-----------------------------|--------------------|----------------------|-----------------------------|----------------|----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured<br>Depth<br>(usft) | Inclination<br>(°) | Azimuth<br>(bearing) | Vertical<br>Depth<br>(usft) | +N-S<br>(usft) | +E-W<br>(usft) | Vertical<br>Section<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) |
| 10,200.00                   | 47.30              | 0.14                 | 10,148.09                   | 184.37         | 0.45           | 184.37                        | 10.00                         | 10.00                        | 0.00                        |
| 10,250.00                   | 52.30              | 0.14                 | 10,180.35                   | 222.55         | 0.54           | 222.55                        | 10.00                         | 10.00                        | 0.00                        |
| 10,300.00                   | 57.30              | 0.14                 | 10,209.17                   | 263.39         | 0.64           | 263.39                        | 10.00                         | 10.00                        | 0.00                        |
| 10,350.00                   | 62.30              | 0.14                 | 10,234.31                   | 306.59         | 0.74           | 306.59                        | 10.00                         | 10.00                        | 0.00                        |
| 10,400.00                   | 67.30              | 0.14                 | 10,255.60                   | 351.81         | 0.85           | 351.81                        | 10.00                         | 10.00                        | 0.00                        |
| 10,450.00                   | 72.30              | 0.14                 | 10,272.86                   | 398.72         | 0.97           | 398.72                        | 10.00                         | 10.00                        | 0.00                        |
| 10,500.00                   | 77.30              | 0.14                 | 10,285.97                   | 446.95         | 1.08           | 446.96                        | 10.00                         | 10.00                        | 0.00                        |
| 10,550.00                   | 82.30              | 0.14                 | 10,294.83                   | 496.15         | 1.20           | 496.15                        | 10.00                         | 10.00                        | 0.00                        |
| 10,600.00                   | 87.30              | 0.14                 | 10,299.36                   | 545.93         | 1.32           | 545.93                        | 10.00                         | 10.00                        | 0.00                        |
| 10,627.04                   | 90.00              | 0.14                 | 10,300.00                   | 572.96         | 1.39           | 572.96                        | 10.00                         | 10.00                        | 0.00                        |
| 10,700.00                   | 90.00              | 0.14                 | 10,300.00                   | 645.92         | 1.56           | 645.92                        | 0.00                          | 0.00                         | 0.00                        |
| 10,800.00                   | 90.00              | 0.14                 | 10,300.00                   | 745.92         | 1.81           | 745.92                        | 0.00                          | 0.00                         | 0.00                        |
| 10,900.00                   | 90.00              | 0.14                 | 10,300.00                   | 845.92         | 2.05           | 845.92                        | 0.00                          | 0.00                         | 0.00                        |
| 11,000.00                   | 90.00              | 0.14                 | 10,300.00                   | 945.92         | 2.29           | 945.92                        | 0.00                          | 0.00                         | 0.00                        |
| 11,100.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,045.91       | 2.53           | 1,045.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,200.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,145.91       | 2.77           | 1,145.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,300.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,245.91       | 3.02           | 1,245.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,400.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,345.91       | 3.26           | 1,345.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,500.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,445.91       | 3.50           | 1,445.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,600.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,545.91       | 3.74           | 1,545.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,700.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,645.91       | 3.99           | 1,645.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,800.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,745.91       | 4.23           | 1,745.92                      | 0.00                          | 0.00                         | 0.00                        |
| 11,900.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,845.91       | 4.47           | 1,845.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,000.00                   | 90.00              | 0.14                 | 10,300.00                   | 1,945.91       | 4.71           | 1,945.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,100.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,045.91       | 4.95           | 2,045.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,200.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,145.91       | 5.20           | 2,145.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,300.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,245.91       | 5.44           | 2,245.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,400.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,345.91       | 5.68           | 2,345.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,500.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,445.91       | 5.92           | 2,445.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,600.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,545.91       | 6.16           | 2,545.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,700.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,645.91       | 6.41           | 2,645.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,800.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,745.91       | 6.65           | 2,745.92                      | 0.00                          | 0.00                         | 0.00                        |
| 12,900.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,845.91       | 6.89           | 2,845.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,000.00                   | 90.00              | 0.14                 | 10,300.00                   | 2,945.91       | 7.13           | 2,945.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,100.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,045.91       | 7.38           | 3,045.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,200.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,145.91       | 7.62           | 3,145.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,300.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,245.91       | 7.86           | 3,245.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,400.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,345.91       | 8.10           | 3,345.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,500.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,445.91       | 8.34           | 3,445.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,600.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,545.91       | 8.59           | 3,545.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,700.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,645.91       | 8.83           | 3,645.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,800.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,745.91       | 9.07           | 3,745.92                      | 0.00                          | 0.00                         | 0.00                        |
| 13,900.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,845.91       | 9.31           | 3,845.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,000.00                   | 90.00              | 0.14                 | 10,300.00                   | 3,945.91       | 9.55           | 3,945.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,100.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,045.91       | 9.80           | 4,045.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,200.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,145.91       | 10.04          | 4,145.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,300.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,245.91       | 10.28          | 4,245.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,400.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,345.91       | 10.52          | 4,345.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,500.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,445.90       | 10.77          | 4,445.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,600.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,545.90       | 11.01          | 4,545.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,700.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,645.90       | 11.25          | 4,645.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,800.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,745.90       | 11.49          | 4,745.92                      | 0.00                          | 0.00                         | 0.00                        |
| 14,900.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,845.90       | 11.73          | 4,845.92                      | 0.00                          | 0.00                         | 0.00                        |
| 15,000.00                   | 90.00              | 0.14                 | 10,300.00                   | 4,945.90       | 11.98          | 4,945.92                      | 0.00                          | 0.00                         | 0.00                        |

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | Midland District             | <b>Local Co-ordinate Reference:</b> | Well #262H                        |
| <b>Company:</b>  | Kaiser - Francis Oil Company | <b>TVD Reference:</b>               | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Project:</b>  | Lea Co, NM (Nad 27 NME)      | <b>MD Reference:</b>                | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Site:</b>     | Bell Lake Unit North         | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #262H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | Plan #1                      |                                     |                                   |

| Planned Survey        |                 |                   |                       |              |              |                         |                         |                        |                       |  |
|-----------------------|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 15,100.00             | 90.00           | 0.14              | 10,300.00             | 5,045.90     | 12.22        | 5,045.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,200.00             | 90.00           | 0.14              | 10,300.00             | 5,145.90     | 12.46        | 5,145.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,300.00             | 90.00           | 0.14              | 10,300.00             | 5,245.90     | 12.70        | 5,245.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,400.00             | 90.00           | 0.14              | 10,300.00             | 5,345.90     | 12.94        | 5,345.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,500.00             | 90.00           | 0.14              | 10,300.00             | 5,445.90     | 13.19        | 5,445.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,600.00             | 90.00           | 0.14              | 10,300.00             | 5,545.90     | 13.43        | 5,545.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,700.00             | 90.00           | 0.14              | 10,300.00             | 5,645.90     | 13.67        | 5,645.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,800.00             | 90.00           | 0.14              | 10,300.00             | 5,745.90     | 13.91        | 5,745.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,900.00             | 90.00           | 0.14              | 10,300.00             | 5,845.90     | 14.16        | 5,845.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,000.00             | 90.00           | 0.14              | 10,300.00             | 5,945.90     | 14.40        | 5,945.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,100.00             | 90.00           | 0.14              | 10,300.00             | 6,045.90     | 14.64        | 6,045.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,200.00             | 90.00           | 0.14              | 10,300.00             | 6,145.90     | 14.88        | 6,145.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,300.00             | 90.00           | 0.14              | 10,300.00             | 6,245.90     | 15.12        | 6,245.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,400.00             | 90.00           | 0.14              | 10,300.00             | 6,345.90     | 15.37        | 6,345.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,500.00             | 90.00           | 0.14              | 10,300.00             | 6,445.90     | 15.61        | 6,445.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,600.00             | 90.00           | 0.14              | 10,300.00             | 6,545.90     | 15.85        | 6,545.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,700.00             | 90.00           | 0.14              | 10,300.00             | 6,645.90     | 16.09        | 6,645.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,800.00             | 90.00           | 0.14              | 10,300.00             | 6,745.90     | 16.33        | 6,745.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,900.00             | 90.00           | 0.14              | 10,300.00             | 6,845.90     | 16.58        | 6,845.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,000.00             | 90.00           | 0.14              | 10,300.00             | 6,945.90     | 16.82        | 6,945.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,100.00             | 90.00           | 0.14              | 10,300.00             | 7,045.90     | 17.06        | 7,045.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,200.00             | 90.00           | 0.14              | 10,300.00             | 7,145.90     | 17.30        | 7,145.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,300.00             | 90.00           | 0.14              | 10,300.00             | 7,245.90     | 17.55        | 7,245.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,400.00             | 90.00           | 0.14              | 10,300.00             | 7,345.90     | 17.79        | 7,345.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,500.00             | 90.00           | 0.14              | 10,300.00             | 7,445.90     | 18.03        | 7,445.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,600.00             | 90.00           | 0.14              | 10,300.00             | 7,545.90     | 18.27        | 7,545.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,700.00             | 90.00           | 0.14              | 10,300.00             | 7,645.90     | 18.51        | 7,645.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,800.00             | 90.00           | 0.14              | 10,300.00             | 7,745.90     | 18.76        | 7,745.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,900.00             | 90.00           | 0.14              | 10,300.00             | 7,845.89     | 19.00        | 7,845.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,000.00             | 90.00           | 0.14              | 10,300.00             | 7,945.89     | 19.24        | 7,945.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,100.00             | 90.00           | 0.14              | 10,300.00             | 8,045.89     | 19.48        | 8,045.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,200.00             | 90.00           | 0.14              | 10,300.00             | 8,145.89     | 19.72        | 8,145.92                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,231.11             | 90.00           | 0.14              | 10,300.00             | 8,177.00     | 19.80        | 8,177.02                | 0.00                    | 0.00                   | 0.00                  |  |

| Design Targets            |           |           |           |          |        |            |            |                  |                   |
|---------------------------|-----------|-----------|-----------|----------|--------|------------|------------|------------------|-------------------|
| Target Name               | Dip Angle | Dip Dir.  | TVD       | +N/-S    | +E/-W  | Northing   | Easting    | Latitude         | Longitude         |
| - hit/miss target         | (°)       | (bearing) | (usft)    | (usft)   | (usft) | (usft)     | (usft)     |                  |                   |
| - Shape                   |           |           |           |          |        |            |            |                  |                   |
| PBHL (#1H)                | 0.00      | 0.00      | 10,300.00 | 8,177.00 | 19.80  | 493,636.90 | 756,471.50 | 32° 21' 15.799 N | 103° 30' 10.058 W |
| - plan hits target center |           |           |           |          |        |            |            |                  |                   |
| - Point                   |           |           |           |          |        |            |            |                  |                   |

# Kaiser-Francis Oil Company

Bell Lake Unit North #262H  
Lea Co, NM (Nad 27 NME)  
Northing: (Y) 485459.90  
Easting: (X) 756451.70  
Plan #1



Scientific Drilling

Azimuths to Grid North  
True North: -0.44°  
Magnetic North: 6.56°

Magnetic Field  
Strength: 48391.55nT  
Dip Angle: 60.20°  
Date: 11/2/2015  
Model: HDGM

To convert Magnetic North to Grid, Add 6.56°  
To convert True North to Grid, Subtract 0.44°

KB=23 @ 3481.00usft (Cactus 170)

3458.00

## Surface Hole Location:

| +N/-S | +E/-W | Northing  | Easting   | Ground Level | Latitude         | Longitude         |
|-------|-------|-----------|-----------|--------------|------------------|-------------------|
| 0.00  | 0.00  | 485459.90 | 756451.70 | 3458.00      | 32° 19' 54.888 N | 103° 30' 11.028 W |

## SECTION DETAILS

| MD       | Inc   | Azi          | TVD     | +N/-S | +E/-W | Dleg | TFace   | VSect | Target     |
|----------|-------|--------------|---------|-------|-------|------|---------|-------|------------|
| 0.00     | 0.00  | 0.00         | 0.00    | 0.00  | 0.00  | 0.00 | 0.00    | 0.00  |            |
| 9727.04  | 0.00  | 0.00         | 9727.04 | 0.00  | 0.00  | 0.00 | 0.00    | 0.00  |            |
| 10627.04 | 90.00 | 0.1410300.00 | 572.96  | 1.39  | 10.00 | 0.14 | 572.96  |       |            |
| 18231.11 | 90.00 | 0.1410300.00 | 8177.00 | 19.80 | 0.00  | 0.00 | 8177.02 |       | PBHL (#1H) |

## DESIGN TARGET DETAILS

| Name       | TVD      | +N/-S   | +E/-W | Northing  | Easting   |
|------------|----------|---------|-------|-----------|-----------|
| PBHL (#1H) | 10300.00 | 8177.00 | 19.80 | 493636.90 | 756471.50 |

Units In Feet

**SITE DETAILS:** Bell Lake Unit North  
Site Centre Northing: 52253388.05  
Easting: -28195200.90

Positional Uncertainty: 0.00  
Convergence: 0.00  
Local North: Grid

**PROJECT DETAILS:** Lea Co, NM (Nad 27 NME)  
Geodetic System: US State Plane 1927 (Exact solution)  
Datum: NAD 1927 (NADCON CONUS)  
Ellipsoid: Clarke 1866  
Zone: New Mexico East 3001

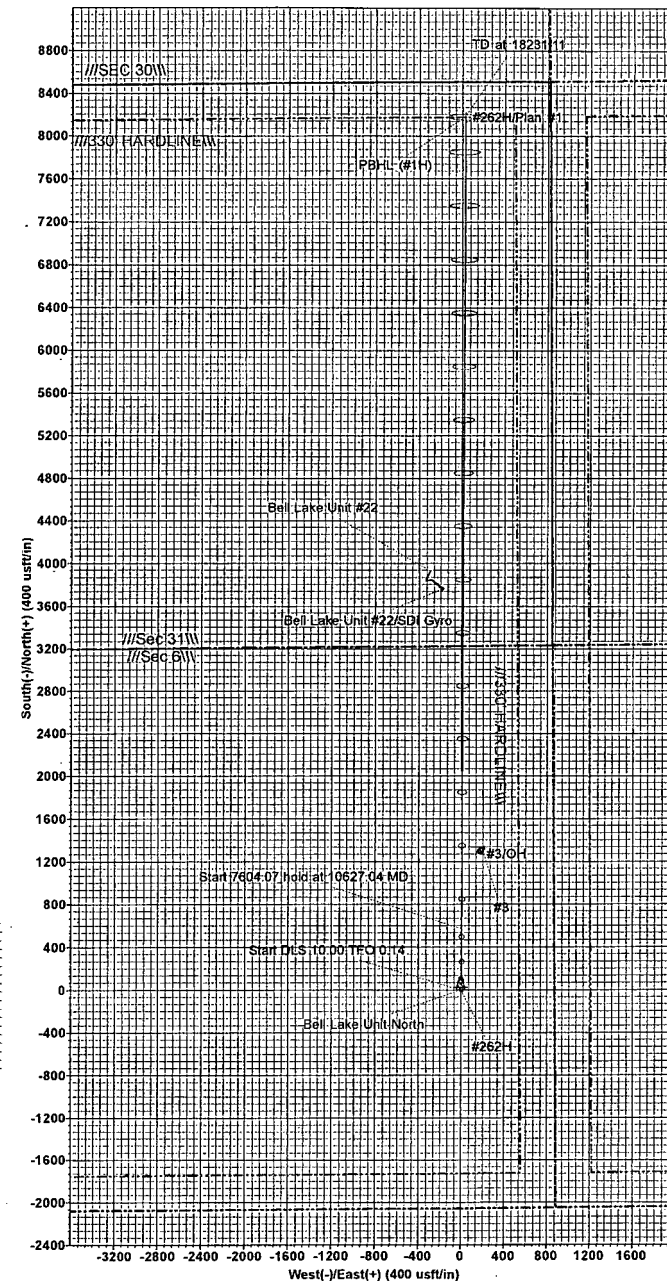
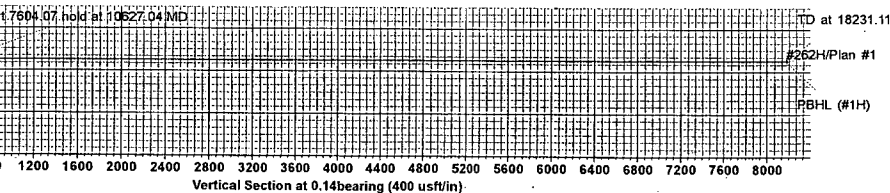
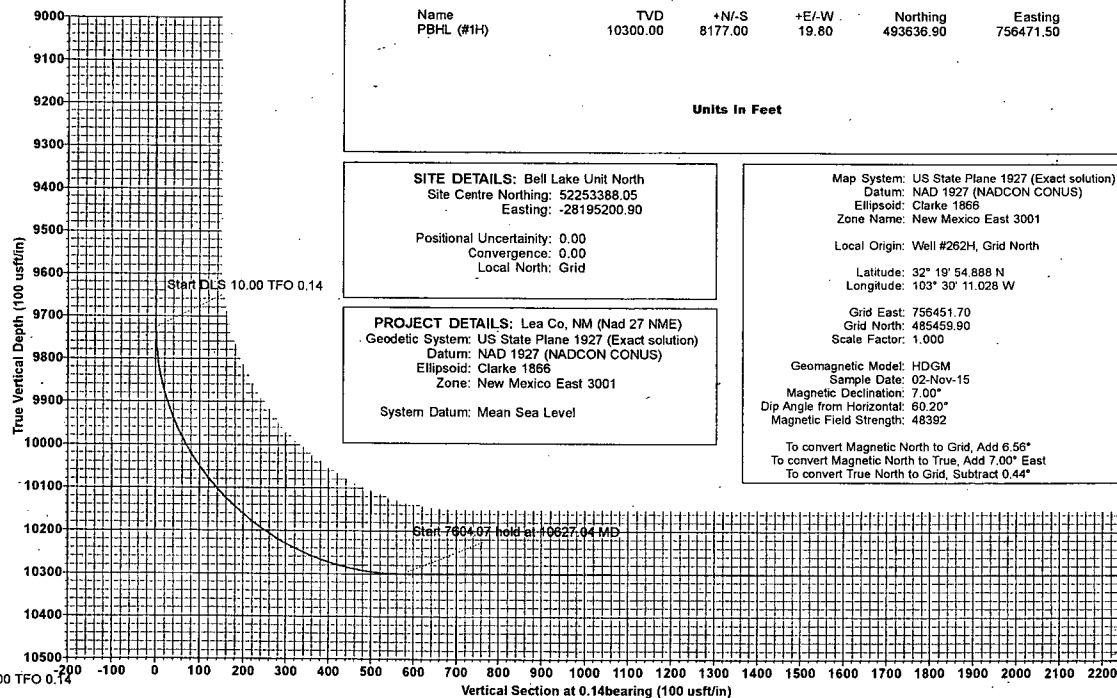
System Datum: Mean Sea Level

Map System: US State Plane 1927 (Exact solution)  
Datum: NAD 1927 (NADCON CONUS)  
Ellipsoid: Clarke 1866  
Zone Name: New Mexico East 3001  
Local Origin: Well #262H, Grid North  
Latitude: 32° 19' 54.888 N  
Longitude: 103° 30' 11.028 W

Grid East: 756451.70  
Grid North: 485459.90  
Scale Factor: 1.000

Geomagnetic Model: HDGM  
Sample Date: 02-Nov-15  
Magnetic Declination: 7.00°  
Dip Angle from Horizontal: 60.20°  
Magnetic Field Strength: 48392

To convert Magnetic North to Grid, Add 6.56°  
To convert Magnetic North to True, Add 7.00° East  
To convert True North to Grid, Subtract 0.44°



James Dunn  
9/23, May 12 2016  
Scientific Drilling  
325 S. Faudree Rd.  
Odessa, TX 79765

Printed: 09/23/2016 09:23 AM  
Lea Co, NM (Nad 27 NME)  
Bell Lake Unit North  
Cactus 170  
Plan #1

KAISER-FRANCIS OIL COMPANY

## Kaiser - Francis Oil Company

Lea Co, NM (Nad 27 NME)

Bell Lake Unit North

#262H

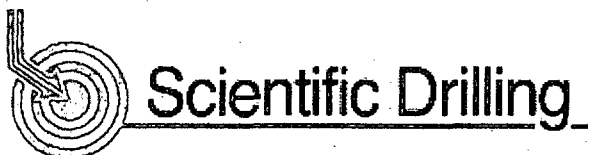
OH

Plan #1

HOBBS OCD  
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## Anticollision Report

12 May, 2016



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## Anticollision Report



|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at:        | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

|                              |                                                                     |                |                     |
|------------------------------|---------------------------------------------------------------------|----------------|---------------------|
| Reference:                   | Plan #1                                                             |                |                     |
| Filter type:                 | NO GLOBAL FILTER: Using user defined selection & filtering criteria |                |                     |
| Interpolation Method:        | MD Interval 100.00usft                                              | Error Model:   | ISCWSA              |
| Depth Range:                 | Unlimited                                                           | Scan Method:   | Closest Approach 3D |
| Results Limited by:          | Maximum center-center distance of 10,000.00 usft                    | Error Surface: | Elliptical Conic    |
| Warning Levels Evaluated at: | 2.00 Sigma                                                          | Casing Method: | Not applied         |

|                     |              |                   |           |                              |
|---------------------|--------------|-------------------|-----------|------------------------------|
| Survey Tool Program |              | Date: 5/10/2016   |           |                              |
| From<br>(usft)      | To<br>(usft) | Survey (Wellbore) | Tool Name | Description                  |
| 0.00                | 18,230.77    | Plan #1 (OH)      | SDI MWD   | SDI MWD - Standard ver 1.0.1 |

| Site Name                                   | Reference Measured Depth (usft) | Offset Measured Depth (usft) | Distance Between Centres (usft) | Distance Between Ellipses (usft) | Separation Factor | Warning    |
|---------------------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------------------|-------------------|------------|
| Offset Well - Wellbore - Design             |                                 |                              |                                 |                                  |                   |            |
| Bell Lake Unit #22                          |                                 |                              |                                 |                                  |                   |            |
| Bell Lake Unit #22 - Wellbore #1 - SDI Gyro | 13,830.38                       | 10,294.03                    | 198.02                          | 114.11                           | 2.360             | CC, ES, SF |
| Bell Lake Unit North                        |                                 |                              |                                 |                                  |                   |            |
| #2H - OH - Plan #1                          | 18,231.11                       | 10,314.25                    | 938.15                          | 758.64                           | 5.226             | CC, ES, SF |
| #3H - OH - Plan #1                          | 18,231.11                       | 10,694.46                    | 1,350.56                        | 1,174.29                         | 7.662             | CC, ES, SF |
| North Bell Lake Federal Unit                |                                 |                              |                                 |                                  |                   |            |
| #3 - OH - OH                                | 11,360.54                       | 10,280.38                    | 181.64                          | 130.75                           | 3.569             | CC, ES, SF |

| Offset Design  |                | Bell Lake Unit #22 - Bell Lake Unit #22 - Wellbore #1 - SDI Gyro |                |                 |        |                   |                        |                 |                  |                    |                   | Offset Site Error |  | 0.00 usft |  |
|----------------|----------------|------------------------------------------------------------------|----------------|-----------------|--------|-------------------|------------------------|-----------------|------------------|--------------------|-------------------|-------------------|--|-----------|--|
| Survey Program |                | 89-SDI Standard Keeper 103                                       |                |                 |        |                   |                        |                 |                  |                    |                   | Offset Well Error |  | 0.00 usft |  |
| Reference      |                | Offset                                                           |                | Semi Major Axis |        | Distance          |                        |                 |                  |                    |                   |                   |  |           |  |
| Measured Depth | Vertical Depth | Measured Depth                                                   | Vertical Depth | Reference       | Offset | Highside Toolface | Offset Wellbore Centre | Between Centres | Between Ellipses | Minimum Separation | Separation Factor | Warning           |  |           |  |
| (usft)         | (usft)         | (usft)                                                           | (usft)         | (usft)          | (usft) | (°)               | +N/-S (usft)           | +E/-W (usft)    | (usft)           | (usft)             | (usft)            |                   |  |           |  |
| 0.00           | 0.00           | 0.00                                                             | 0.00           | 0.00            | 0.00   | -4.28             | 3,930.17               | -294.03         | 3,941.18         |                    |                   |                   |  |           |  |
| 100.00         | 100.00         | 84.64                                                            | 84.64          | 0.09            | 0.05   | -4.28             | 3,930.18               | -294.14         | 3,941.17         | 3,941.04           | 0.13              | N/A               |  |           |  |
| 200.00         | 200.00         | 182.85                                                           | 182.85         | 0.31            | 0.18   | -4.29             | 3,930.20               | -294.72         | 3,941.24         | 3,940.81           | 0.42              | 9,327.804         |  |           |  |
| 300.00         | 300.00         | 292.76                                                           | 292.75         | 0.54            | 0.31   | -4.29             | 3,930.15               | -295.11         | 3,941.22         | 3,940.49           | 0.72              | 5,453.555         |  |           |  |
| 400.00         | 400.00         | 393.30                                                           | 393.30         | 0.76            | 0.43   | -4.30             | 3,929.93               | -295.44         | 3,941.03         | 3,940.01           | 1.02              | 3,855.668         |  |           |  |
| 500.00         | 500.00         | 518.82                                                           | 518.82         | 0.99            | 0.59   | -4.31             | 3,929.29               | -296.12         | 3,940.57         | 3,939.21           | 1.35              | 2,911.904         |  |           |  |
| 600.00         | 600.00         | 677.77                                                           | 677.73         | 1.21            | 0.78   | -4.34             | 3,926.74               | -297.92         | 3,939.09         | 3,937.36           | 1.74              | 2,269.761         |  |           |  |
| 700.00         | 700.00         | 934.31                                                           | 933.88         | 1.44            | 1.08   | -4.45             | 3,914.63               | -304.53         | 3,934.27         | 3,932.03           | 2.24              | 1,758.347         |  |           |  |
| 800.00         | 800.00         | 1,097.75                                                         | 1,096.77       | 1.66            | 1.28   | -4.55             | 3,902.58               | -310.38         | 3,927.22         | 3,924.57           | 2.65              | 1,484.209         |  |           |  |
| 900.00         | 900.00         | 1,228.39                                                         | 1,226.81       | 1.88            | 1.44   | -4.63             | 3,891.20               | -315.44         | 3,918.81         | 3,915.79           | 3.02              | 1,297.364         |  |           |  |
| 1,000.00       | 1,000.00       | 1,321.79                                                         | 1,319.75       | 2.11            | 1.55   | -4.70             | 3,882.74               | -319.22         | 3,910.11         | 3,906.76           | 3.35              | 1,166.201         |  |           |  |
| 1,100.00       | 1,100.00       | 1,400.00                                                         | 1,397.61       | 2.33            | 1.65   | -4.76             | 3,876.10               | -322.46         | 3,901.95         | 3,898.28           | 3.67              | 1,063.976         |  |           |  |
| 1,200.00       | 1,200.00       | 1,462.35                                                         | 1,459.72       | 2.56            | 1.73   | -4.80             | 3,871.28               | -324.96         | 3,894.53         | 3,890.56           | 3.96              | 982.643           |  |           |  |
| 1,300.00       | 1,300.00       | 1,540.12                                                         | 1,537.25       | 2.78            | 1.83   | -4.85             | 3,865.84               | -327.74         | 3,887.84         | 3,883.56           | 4.28              | 908.934           |  |           |  |
| 1,400.00       | 1,400.00       | 1,624.25                                                         | 1,621.16       | 3.01            | 1.93   | -4.89             | 3,860.31               | -330.35         | 3,881.55         | 3,876.95           | 4.60              | 843.873           |  |           |  |
| 1,500.00       | 1,500.00       | 1,700.00                                                         | 1,696.75       | 3.23            | 2.03   | -4.92             | 3,855.76               | -332.24         | 3,875.78         | 3,870.87           | 4.91              | 788.810           |  |           |  |
| 1,600.00       | 1,600.00       | 1,768.05                                                         | 1,764.68       | 3.46            | 2.11   | -4.95             | 3,852.20               | -333.64         | 3,870.74         | 3,865.53           | 5.22              | 741.733           |  |           |  |
| 1,700.00       | 1,700.00       | 1,842.49                                                         | 1,839.04       | 3.68            | 2.20   | -4.97             | 3,848.92               | -334.98         | 3,866.50         | 3,860.97           | 5.53              | 699.046           |  |           |  |
| 1,800.00       | 1,800.00       | 1,922.48                                                         | 1,918.97       | 3.91            | 2.31   | -5.00             | 3,845.84               | -336.17         | 3,862.79         | 3,856.94           | 5.85              | 660.263           |  |           |  |
| 1,900.00       | 1,900.00       | 2,000.00                                                         | 1,996.44       | 4.13            | 2.40   | -5.01             | 3,843.30               | -337.17         | 3,859.64         | 3,853.48           | 6.17              | 625.852           |  |           |  |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                    |                              |                              |                                   |
|--------------------|------------------------------|------------------------------|-----------------------------------|
| Company:           | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:           | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:    | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:        | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:    | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:        | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore | OH                           | Database:                    | Midland District                  |
| Reference Design:  | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design                                                    |                       |                       |                       |                  |               |                       |                                    |                   |                        |                         |                           | Offset Site Error:           |
|------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------------------------------|-------------------|------------------------|-------------------------|---------------------------|------------------------------|
| Bell Lake Unit #22 - Bell Lake Unit #22 - Wellbore #1 - SDI Gyro |                       |                       |                       |                  |               |                       |                                    |                   |                        |                         |                           | 0.00 usft                    |
| Survey Program: 89:SDI Standard Keeper 103                       |                       |                       |                       |                  |               |                       |                                    |                   |                        |                         |                           | Offset Well Error: 0.00 usft |
| Reference                                                        | Offset                | Semi Major Axis       |                       | Distance         |               | Minimum Separation    |                                    | Separation Factor |                        | Warning                 |                           |                              |
| Measured Depth (usft)                                            | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N-S (usft) | +E-W (usft)       | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Warning                      |
| 2,000.00                                                         | 2,000.00              | 2,068.95              | 2,065.37              | 4.36             | 2.49          | -5.03                 | 3,841.54                           | -337.87           | 3,857.19               | 3,850.72                | 6.47                      | 595.829                      |
| 2,100.00                                                         | 2,100.00              | 2,147.37              | 2,143.77              | 4.58             | 2.59          | -5.04                 | 3,840.15                           | -338.39           | 3,855.46               | 3,848.67                | 6.79                      | 567.560                      |
| 2,200.00                                                         | 2,200.00              | 2,232.05              | 2,228.44              | 4.81             | 2.69          | -5.04                 | 3,839.01                           | -338.64           | 3,854.16               | 3,847.03                | 7.12                      | 541.153                      |
| 2,300.00                                                         | 2,300.00              | 2,315.71              | 2,312.10              | 5.03             | 2.77          | -5.04                 | 3,838.29                           | -338.53           | 3,853.27               | 3,845.83                | 7.45                      | 517.325                      |
| 2,400.00                                                         | 2,400.00              | 2,400.00              | 2,396.38              | 5.26             | 2.82          | -5.03                 | 3,837.89                           | -338.08           | 3,852.76               | 3,845.00                | 7.76                      | 496.373                      |
| 2,500.00                                                         | 2,500.00              | 2,490.73              | 2,487.11              | 5.48             | 2.84          | -5.02                 | 3,837.77                           | -337.44           | 3,852.58               | 3,844.53                | 8.05                      | 478.811                      |
| 2,510.38                                                         | 2,510.38              | 2,500.00              | 2,496.38              | 5.50             | 2.84          | -5.02                 | 3,837.77                           | -337.37           | 3,852.57               | 3,844.50                | 8.08                      | 477.068                      |
| 2,600.00                                                         | 2,600.00              | 2,578.63              | 2,575.01              | 5.71             | 2.83          | -5.01                 | 3,837.95                           | -336.71           | 3,852.70               | 3,844.40                | 8.30                      | 463.943                      |
| 2,700.00                                                         | 2,700.00              | 2,674.76              | 2,671.13              | 5.93             | 2.81          | -5.00                 | 3,838.38                           | -335.69           | 3,853.07               | 3,844.51                | 8.55                      | 450.417                      |
| 2,800.00                                                         | 2,800.00              | 2,772.51              | 2,768.87              | 6.16             | 2.80          | -4.98                 | 3,838.89                           | -334.50           | 3,853.48               | 3,844.67                | 8.80                      | 437.652                      |
| 2,900.00                                                         | 2,900.00              | 2,867.98              | 2,864.33              | 6.38             | 2.79          | -4.96                 | 3,839.50                           | -332.95           | 3,853.97               | 3,844.91                | 9.06                      | 425.463                      |
| 3,000.00                                                         | 3,000.00              | 2,966.60              | 2,962.92              | 6.60             | 2.80          | -4.92                 | 3,840.30                           | -330.59           | 3,854.57               | 3,845.25                | 9.32                      | 413.672                      |
| 3,100.00                                                         | 3,100.00              | 3,073.99              | 3,070.24              | 6.83             | 2.82          | -4.87                 | 3,841.18                           | -327.00           | 3,855.10               | 3,845.52                | 9.59                      | 402.061                      |
| 3,200.00                                                         | 3,200.00              | 3,182.53              | 3,178.70              | 7.05             | 2.85          | -4.80                 | 3,841.85                           | -322.84           | 3,855.40               | 3,845.53                | 9.87                      | 390.756                      |
| 3,300.00                                                         | 3,300.00              | 3,283.78              | 3,279.87              | 7.28             | 2.88          | -4.74                 | 3,842.35                           | -318.82           | 3,855.56               | 3,845.41                | 10.14                     | 380.063                      |
| 3,400.00                                                         | 3,400.00              | 3,381.93              | 3,377.94              | 7.50             | 2.93          | -4.68                 | 3,842.85                           | -314.88           | 3,855.74               | 3,845.32                | 10.42                     | 369.975                      |
| 3,500.00                                                         | 3,500.00              | 3,476.68              | 3,472.62              | 7.73             | 2.97          | -4.63                 | 3,843.40                           | -311.22           | 3,856.01               | 3,845.31                | 10.69                     | 360.549                      |
| 3,600.00                                                         | 3,600.00              | 3,575.45              | 3,571.33              | 7.95             | 3.02          | -4.58                 | 3,844.04                           | -307.99           | 3,856.39               | 3,845.42                | 10.97                     | 351.555                      |
| 3,700.00                                                         | 3,700.00              | 3,675.50              | 3,671.35              | 8.18             | 3.07          | -4.54                 | 3,844.64                           | -305.30           | 3,856.77               | 3,845.52                | 11.24                     | 343.009                      |
| 3,800.00                                                         | 3,800.00              | 3,773.97              | 3,769.78              | 8.40             | 3.12          | -4.50                 | 3,845.22                           | -302.85           | 3,857.16               | 3,845.64                | 11.52                     | 334.910                      |
| 3,900.00                                                         | 3,900.00              | 3,874.01              | 3,869.79              | 8.63             | 3.18          | -4.47                 | 3,845.83                           | -300.48           | 3,857.59               | 3,845.80                | 11.79                     | 327.167                      |
| 4,000.00                                                         | 4,000.00              | 3,973.32              | 3,969.07              | 8.85             | 3.24          | -4.43                 | 3,846.44                           | -298.16           | 3,858.01               | 3,845.95                | 12.06                     | 319.778                      |
| 4,100.00                                                         | 4,100.00              | 4,070.09              | 4,065.82              | 9.08             | 3.30          | -4.40                 | 3,847.05                           | -296.17           | 3,858.49               | 3,846.15                | 12.34                     | 312.798                      |
| 4,200.00                                                         | 4,200.00              | 4,169.42              | 4,165.13              | 9.30             | 3.37          | -4.38                 | 3,847.73                           | -294.46           | 3,859.03               | 3,846.43                | 12.61                     | 306.146                      |
| 4,300.00                                                         | 4,300.00              | 4,267.74              | 4,263.44              | 9.53             | 3.43          | -4.35                 | 3,848.38                           | -292.96           | 3,859.59               | 3,846.71                | 12.87                     | 299.819                      |
| 4,400.00                                                         | 4,400.00              | 4,366.62              | 4,362.31              | 9.75             | 3.49          | -4.33                 | 3,849.09                           | -291.59           | 3,860.19               | 3,847.05                | 13.14                     | 293.764                      |
| 4,500.00                                                         | 4,500.00              | 4,466.16              | 4,461.84              | 9.98             | 3.56          | -4.31                 | 3,849.81                           | -290.18           | 3,860.81               | 3,847.40                | 13.41                     | 287.927                      |
| 4,600.00                                                         | 4,600.00              | 4,561.97              | 4,557.63              | 10.20            | 3.65          | -4.28                 | 3,850.51                           | -288.34           | 3,861.30               | 3,847.61                | 13.69                     | 282.008                      |
| 4,700.00                                                         | 4,700.00              | 4,609.03              | 4,604.58              | 10.43            | 3.89          | -4.19                 | 3,848.09                           | -282.20           | 3,860.24               | 3,846.15                | 14.09                     | 273.898                      |
| 4,800.00                                                         | 4,800.00              | 4,900.00              | 4,895.46              | 10.65            | 3.99          | -4.15                 | 3,845.54                           | -279.15           | 3,857.22               | 3,842.81                | 14.40                     | 267.778                      |
| 4,900.00                                                         | 4,900.00              | 4,993.66              | 4,989.05              | 10.88            | 4.10          | -4.11                 | 3,843.08                           | -276.38           | 3,854.38               | 3,839.66                | 14.72                     | 261.856                      |
| 5,000.00                                                         | 5,000.00              | 5,084.51              | 5,079.84              | 11.10            | 4.21          | -4.08                 | 3,840.92                           | -274.11           | 3,851.83               | 3,836.80                | 15.03                     | 256.226                      |
| 5,100.00                                                         | 5,100.00              | 5,175.78              | 5,171.07              | 11.32            | 4.32          | -4.05                 | 3,838.94                           | -272.10           | 3,849.51               | 3,834.16                | 15.35                     | 250.817                      |
| 5,200.00                                                         | 5,200.00              | 5,268.62              | 5,263.88              | 11.55            | 4.43          | -4.03                 | 3,837.10                           | -270.33           | 3,847.40               | 3,831.73                | 15.67                     | 245.598                      |
| 5,300.00                                                         | 5,300.00              | 5,365.32              | 5,360.54              | 11.77            | 4.54          | -4.01                 | 3,835.32                           | -268.56           | 3,845.43               | 3,829.44                | 15.99                     | 240.542                      |
| 5,400.00                                                         | 5,400.00              | 5,462.93              | 5,458.12              | 12.00            | 4.66          | -3.98                 | 3,833.58                           | -266.64           | 3,843.52               | 3,827.21                | 16.31                     | 235.688                      |
| 5,500.00                                                         | 5,500.00              | 5,558.39              | 5,553.55              | 12.22            | 4.77          | -3.95                 | 3,831.96                           | -264.82           | 3,841.69               | 3,825.07                | 16.63                     | 231.060                      |
| 5,600.00                                                         | 5,600.00              | 5,654.99              | 5,650.11              | 12.45            | 4.89          | -3.93                 | 3,830.43                           | -263.07           | 3,839.99               | 3,823.05                | 16.95                     | 226.601                      |
| 5,700.00                                                         | 5,700.00              | 5,754.73              | 5,749.83              | 12.67            | 5.01          | -3.90                 | 3,828.90                           | -261.26           | 3,838.33               | 3,821.07                | 17.27                     | 222.272                      |
| 5,800.00                                                         | 5,800.00              | 5,854.36              | 5,849.43              | 12.90            | 5.13          | -3.88                 | 3,827.36                           | -259.42           | 3,836.67               | 3,819.08                | 17.59                     | 218.104                      |
| 5,900.00                                                         | 5,900.00              | 5,953.22              | 5,948.26              | 13.12            | 5.25          | -3.85                 | 3,825.86                           | -257.59           | 3,835.03               | 3,817.12                | 17.91                     | 214.100                      |
| 6,000.00                                                         | 6,000.00              | 6,051.90              | 6,046.91              | 13.35            | 5.37          | -3.83                 | 3,824.40                           | -255.73           | 3,833.42               | 3,815.19                | 18.23                     | 210.251                      |
| 6,100.00                                                         | 6,100.00              | 6,149.20              | 6,144.19              | 13.57            | 5.49          | -3.80                 | 3,823.01                           | -253.78           | 3,831.86               | 3,813.31                | 18.55                     | 206.568                      |
| 6,200.00                                                         | 6,200.00              | 6,245.16              | 6,240.12              | 13.80            | 5.61          | -3.77                 | 3,821.72                           | -251.87           | 3,830.39               | 3,811.53                | 18.86                     | 203.042                      |
| 6,300.00                                                         | 6,300.00              | 6,341.80              | 6,336.73              | 14.02            | 5.73          | -3.74                 | 3,820.53                           | -249.98           | 3,829.03               | 3,809.85                | 19.18                     | 199.639                      |
| 6,400.00                                                         | 6,400.00              | 6,440.45              | 6,435.35              | 14.25            | 5.85          | -3.72                 | 3,819.36                           | -248.17           | 3,827.73               | 3,808.23                | 19.50                     | 196.329                      |
| 6,500.00                                                         | 6,500.00              | 6,541.61              | 6,536.49              | 14.47            | 5.97          | -3.69                 | 3,818.17                           | -246.35           | 3,826.44               | 3,806.62                | 19.82                     | 193.099                      |
| 6,600.00                                                         | 6,600.00              | 6,643.33              | 6,638.19              | 14.70            | 6.10          | -3.66                 | 3,816.91                           | -244.43           | 3,825.08               | 3,804.95                | 20.14                     | 189.962                      |
| 6,700.00                                                         | 6,700.00              | 6,742.78              | 6,737.61              | 14.92            | 6.22          | -3.64                 | 3,815.68                           | -242.55           | 3,823.73               | 3,803.28                | 20.45                     | 186.946                      |
| 6,800.00                                                         | 6,800.00              | 6,843.10              | 6,837.90              | 15.15            | 6.35          | -3.61                 | 3,814.44                           | -240.60           | 3,822.38               | 3,801.61                | 20.77                     | 184.015                      |
| 6,900.00                                                         | 6,900.00              | 6,941.04              | 6,935.82              | 15.37            | 6.47          | -3.58                 | 3,813.23                           | -238.80           | 3,821.03               | 3,799.94                | 21.09                     | 181.188                      |
| 7,000.00                                                         | 7,000.00              | 7,036.80              | 7,031.56              | 15.60            | 6.59          | -3.56                 | 3,812.15                           | -237.11           | 3,819.79               | 3,798.39                | 21.40                     | 178.473                      |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design                                                    |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           | Offset Site Error: |
|------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------------------------------|-------------|------------------------|-------------------------|---------------------------|--------------------|
| Bell Lake Unit #22 - Bell Lake Unit #22 - Wellbore #1 - SDI Gyro |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           | 0.00 usft          |
| Survey Program: 89-SDI Standard Keeper 103                       |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           | Offset Well Error: |
|                                                                  |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           | 0.00 usft          |
| Reference                                                        | Offset                | Semi Major Axis       |                       | Distance         |               | Warning               |                                    |             |                        |                         |                           |                    |
| Measured Depth (usft)                                            | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/S (usft) | +E/W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor  |
| 7,100.00                                                         | 7,100.00              | 7,136.26              | 7,131.00              | 15.82            | 6.71          | -3.53                 | 3,811.09                           | -235.27     | 3,818.61               | 3,796.90                | 21.72                     | 175.825            |
| 7,200.00                                                         | 7,200.00              | 7,239.46              | 7,234.17              | 16.04            | 6.84          | -3.50                 | 3,809.96                           | -233.35     | 3,817.41               | 3,795.37                | 22.04                     | 173.221            |
| 7,300.00                                                         | 7,300.00              | 7,342.78              | 7,337.47              | 16.27            | 6.97          | -3.48                 | 3,808.70                           | -231.54     | 3,816.08               | 3,793.72                | 22.36                     | 170.660            |
| 7,400.00                                                         | 7,400.00              | 7,442.19              | 7,436.86              | 16.49            | 7.10          | -3.46                 | 3,807.46                           | -229.98     | 3,814.74               | 3,792.06                | 22.68                     | 168.179            |
| 7,500.00                                                         | 7,500.00              | 7,545.23              | 7,539.88              | 16.72            | 7.23          | -3.43                 | 3,806.18                           | -228.32     | 3,813.40               | 3,790.39                | 23.01                     | 165.745            |
| 7,600.00                                                         | 7,600.00              | 7,651.64              | 7,646.26              | 16.94            | 7.36          | -3.40                 | 3,804.69                           | -226.22     | 3,811.88               | 3,788.55                | 23.34                     | 163.351            |
| 7,700.00                                                         | 7,700.00              | 7,752.79              | 7,747.38              | 17.17            | 7.49          | -3.38                 | 3,803.15                           | -224.55     | 3,810.27               | 3,786.61                | 23.66                     | 161.029            |
| 7,800.00                                                         | 7,800.00              | 7,852.23              | 7,846.80              | 17.39            | 7.61          | -3.36                 | 3,801.65                           | -223.06     | 3,808.67               | 3,784.68                | 23.99                     | 158.763            |
| 7,900.00                                                         | 7,900.00              | 7,952.67              | 7,947.22              | 17.62            | 7.74          | -3.34                 | 3,800.12                           | -221.64     | 3,807.07               | 3,782.75                | 24.32                     | 156.539            |
| 8,000.00                                                         | 8,000.00              | 8,050.93              | 8,045.46              | 17.84            | 7.86          | -3.32                 | 3,798.61                           | -220.46     | 3,805.47               | 3,780.82                | 24.65                     | 154.377            |
| 8,100.00                                                         | 8,100.00              | 8,150.82              | 8,145.33              | 18.07            | 7.99          | -3.30                 | 3,797.15                           | -219.21     | 3,803.94               | 3,778.95                | 24.98                     | 152.264            |
| 8,200.00                                                         | 8,200.00              | 8,253.35              | 8,247.84              | 18.29            | 8.12          | -3.29                 | 3,795.58                           | -217.86     | 3,802.33               | 3,777.02                | 25.32                     | 150.190            |
| 8,300.00                                                         | 8,300.00              | 8,350.98              | 8,345.45              | 18.52            | 8.24          | -3.27                 | 3,794.07                           | -216.64     | 3,800.72               | 3,775.07                | 25.65                     | 148.193            |
| 8,400.00                                                         | 8,400.00              | 8,446.55              | 8,441.01              | 18.74            | 8.36          | -3.25                 | 3,792.70                           | -215.53     | 3,799.22               | 3,773.24                | 25.97                     | 146.264            |
| 8,500.00                                                         | 8,500.00              | 8,543.59              | 8,538.03              | 18.97            | 8.49          | -3.24                 | 3,791.40                           | -214.34     | 3,797.81               | 3,771.51                | 26.30                     | 144.391            |
| 8,600.00                                                         | 8,600.00              | 8,642.61              | 8,637.03              | 19.19            | 8.61          | -3.22                 | 3,790.14                           | -212.97     | 3,796.47               | 3,769.84                | 26.63                     | 142.569            |
| 8,700.00                                                         | 8,700.00              | 8,742.51              | 8,736.92              | 19.42            | 8.74          | -3.20                 | 3,788.87                           | -211.59     | 3,795.12               | 3,768.16                | 26.96                     | 140.789            |
| 8,800.00                                                         | 8,800.00              | 8,841.80              | 8,836.19              | 19.64            | 8.87          | -3.18                 | 3,787.62                           | -210.27     | 3,793.79               | 3,766.51                | 27.28                     | 139.055            |
| 8,900.00                                                         | 8,900.00              | 8,940.06              | 8,934.43              | 19.87            | 8.99          | -3.16                 | 3,786.41                           | -208.83     | 3,792.47               | 3,764.87                | 27.61                     | 137.378            |
| 9,000.00                                                         | 9,000.00              | 9,038.82              | 9,033.17              | 20.09            | 9.12          | -3.14                 | 3,785.32                           | -207.39     | 3,791.25               | 3,763.33                | 27.92                     | 135.770            |
| 9,100.00                                                         | 9,100.00              | 9,131.54              | 9,125.87              | 20.32            | 9.24          | -3.11                 | 3,784.34                           | -205.87     | 3,790.14               | 3,761.90                | 28.24                     | 134.217            |
| 9,200.00                                                         | 9,200.00              | 9,226.52              | 9,220.84              | 20.54            | 9.36          | -3.09                 | 3,783.48                           | -204.35     | 3,789.16               | 3,760.61                | 28.55                     | 132.722            |
| 9,300.00                                                         | 9,300.00              | 9,322.63              | 9,316.93              | 20.77            | 9.48          | -3.07                 | 3,782.74                           | -202.80     | 3,788.30               | 3,759.44                | 28.86                     | 131.274            |
| 9,400.00                                                         | 9,400.00              | 9,423.14              | 9,417.43              | 20.99            | 9.60          | -3.04                 | 3,782.00                           | -201.18     | 3,787.48               | 3,758.31                | 29.17                     | 129.848            |
| 9,500.00                                                         | 9,500.00              | 9,523.35              | 9,517.62              | 21.21            | 9.73          | -3.02                 | 3,781.25                           | -199.46     | 3,786.64               | 3,757.16                | 29.48                     | 128.456            |
| 9,600.00                                                         | 9,600.00              | 9,622.24              | 9,616.50              | 21.44            | 9.85          | -2.99                 | 3,780.54                           | -197.76     | 3,785.83               | 3,756.05                | 29.79                     | 127.102            |
| 9,700.00                                                         | 9,700.00              | 9,725.12              | 9,719.36              | 21.66            | 9.98          | -2.97                 | 3,779.75                           | -196.10     | 3,784.98               | 3,754.88                | 30.10                     | 125.751            |
| 9,800.00                                                         | 9,799.80              | 9,824.35              | 9,818.57              | 21.89            | 10.11         | -3.12                 | 3,778.95                           | -194.53     | 3,779.47               | 3,749.22                | 30.25                     | 124.960            |
| 9,900.00                                                         | 9,897.39              | 9,917.66              | 9,911.87              | 22.10            | 10.23         | -3.24                 | 3,778.26                           | -193.08     | 3,775.43               | 3,747.52                | 29.90                     | 125.659            |
| 10,000.00                                                        | 9,989.79              | 10,000.00             | 9,994.20              | 22.31            | 10.33         | -3.50                 | 3,777.77                           | -191.92     | 3,771.98               | 3,745.90                | 29.09                     | 127.860            |
| 10,100.00                                                        | 10,074.21             | 10,081.55             | 10,075.74             | 22.54            | 10.43         | -3.94                 | 3,777.42                           | -190.96     | 3,765.29               | 3,743.41                | 27.88                     | 131.484            |
| 10,200.00                                                        | 10,148.09             | 10,151.98             | 10,146.17             | 22.82            | 10.52         | -4.70                 | 3,777.19                           | -190.28     | 3,759.90               | 3,741.55                | 26.35                     | 136.525            |
| 10,300.00                                                        | 10,209.17             | 10,211.84             | 10,206.02             | 23.17            | 10.59         | -6.01                 | 3,777.04                           | -189.72     | 3,758.82               | 3,740.15                | 24.67                     | 142.633            |
| 10,400.00                                                        | 10,255.60             | 10,261.56             | 10,255.74             | 23.61            | 10.65         | -8.62                 | 3,776.89                           | -189.22     | 3,757.37               | 3,738.24                | 23.14                     | 148.262            |
| 10,500.00                                                        | 10,285.97             | 10,293.82             | 10,288.00             | 24.15            | 10.69         | -15.45                | 3,776.76                           | -188.87     | 3,756.26               | 3,736.56                | 22.70                     | 146.941            |
| 10,600.00                                                        | 10,299.36             | 10,307.34             | 10,301.52             | 24.80            | 10.71         | -55.45                | 3,776.70                           | -188.72     | 3,755.40               | 3,735.20                | 31.20                     | 103.731            |
| 10,700.00                                                        | 10,300.00             | 10,307.55             | 10,301.73             | 25.53            | 10.71         | -94.55                | 3,776.70                           | -188.72     | 3,754.60               | 3,734.27                | 35.34                     | 88.764             |
| 10,800.00                                                        | 10,300.00             | 10,307.11             | 10,301.29             | 26.37            | 10.71         | -94.42                | 3,776.70                           | -188.72     | 3,753.81               | 3,733.46                | 36.25                     | 83.782             |
| 10,900.00                                                        | 10,300.00             | 10,306.67             | 10,300.85             | 27.31            | 10.71         | -94.29                | 3,776.71                           | -188.73     | 3,753.03               | 3,732.65                | 37.25                     | 78.840             |
| 11,000.00                                                        | 10,300.00             | 10,306.24             | 10,300.42             | 28.33            | 10.71         | -94.17                | 3,776.71                           | -188.73     | 3,752.27               | 3,731.84                | 38.35                     | 73.993             |
| 11,100.00                                                        | 10,300.00             | 10,305.80             | 10,299.98             | 29.43            | 10.71         | -94.04                | 3,776.71                           | -188.74     | 3,751.52               | 3,731.01                | 39.51                     | 69.278             |
| 11,200.00                                                        | 10,300.00             | 10,305.36             | 10,299.54             | 30.60            | 10.71         | -93.92                | 3,776.71                           | -188.74     | 3,750.79               | 3,730.20                | 40.75                     | 64.726             |
| 11,300.00                                                        | 10,300.00             | 10,304.93             | 10,299.11             | 31.83            | 10.71         | -93.79                | 3,776.71                           | -188.75     | 3,750.09               | 3,729.40                | 42.05                     | 60.354             |
| 11,400.00                                                        | 10,300.00             | 10,304.49             | 10,298.67             | 33.12            | 10.71         | -93.66                | 3,776.72                           | -188.75     | 3,749.41               | 3,728.60                | 43.41                     | 56.174             |
| 11,500.00                                                        | 10,300.00             | 10,304.06             | 10,298.23             | 34.45            | 10.70         | -93.54                | 3,776.72                           | -188.75     | 3,748.75               | 3,727.84                | 44.81                     | 52.192             |
| 11,600.00                                                        | 10,300.00             | 10,303.62             | 10,297.80             | 35.83            | 10.70         | -93.41                | 3,776.72                           | -188.76     | 3,748.13               | 3,727.12                | 46.26                     | 48.406             |
| 11,700.00                                                        | 10,300.00             | 10,303.19             | 10,297.37             | 37.24            | 10.70         | -93.29                | 3,776.72                           | -188.76     | 3,747.54               | 3,726.44                | 47.74                     | 44.815             |
| 11,800.00                                                        | 10,300.00             | 10,302.75             | 10,296.93             | 38.69            | 10.70         | -93.16                | 3,776.72                           | -188.77     | 3,746.99               | 3,725.79                | 49.26                     | 41.413             |
| 11,900.00                                                        | 10,300.00             | 10,302.32             | 10,296.50             | 40.17            | 10.70         | -93.04                | 3,776.73                           | -188.77     | 3,746.49               | 3,725.16                | 50.81                     | 38.192             |
| 12,000.00                                                        | 10,300.00             | 10,301.89             | 10,296.07             | 41.68            | 10.70         | -92.91                | 3,776.73                           | -188.78     | 3,745.94               | 3,724.56                | 52.39                     | 35.144             |
| 12,100.00                                                        | 10,300.00             | 10,301.45             | 10,295.63             | 43.21            | 10.70         | -92.79                | 3,776.73                           | -188.78     | 3,745.45               | 3,723.99                | 53.99                     | 32.261             |
| 12,200.00                                                        | 10,300.00             | 10,301.02             | 10,295.20             | 44.76            | 10.70         | -92.66                | 3,776.73                           | -188.79     | 3,744.94               | 3,723.46                | 55.61                     | 29.534             |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

**Company:** Kaiser - Francis Oil Company  
**Project:** Lea Co, NM (Nad 27 NME)  
**Reference Site:** Bell Lake Unit North  
**Site Error:** 0.00 usft  
**Reference Well:** #262H  
**Well Error:** 0.00 usft  
**Reference Wellbore:** OH  
**Reference Design:** Plan #1

**Local Co-ordinate Reference:**  
**TVD Reference:**  
**MD Reference:**  
**North Reference:**  
**Survey Calculation Method:**  
**Output errors are at**  
**Database:**  
**Offset TVD Reference:**

**Well #262H**  
**KB=23' @ 3481.00usft (Cactus 170)**  
**KB=23' @ 3481.00usft (Cactus 170)**  
**Grid**  
**Minimum Curvature**  
**2.00 sigma**  
**Midland District**  
**Offset Datum**

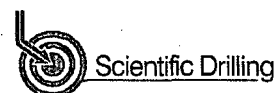
| Offset Design Bell Lake Unit #22 - Bell Lake Unit #22 - Wellbore #1 - SDI Gyro |                       |                       |                       |                  |               |                        |                                    |             |                        |                         |                           |                   |            | Offset Site Error: |
|--------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|------------------------|------------------------------------|-------------|------------------------|-------------------------|---------------------------|-------------------|------------|--------------------|
| Survey Program: 89-SDI Standard Keeper 103                                     |                       |                       |                       |                  |               |                        |                                    |             |                        |                         |                           |                   |            | Offset Well Error: |
| Reference                                                                      | Offset                | Semi Major Axis       |                       | Distance         |               | Warning                |                                    |             |                        |                         |                           |                   |            |                    |
| Measured Depth (usft)                                                          | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Footface (ft) | Offset Wellbore Centre +N-S (usft) | +E-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor |            |                    |
| 12,300.00                                                                      | 10,300.00             | 10,300.59             | 10,294.77             | 46.33            | 10.70         | -92.54                 | 3,776.73                           | -188.79     | 1,543.12               | 1,485.87                | 57.25                     | 26.954            |            |                    |
| 12,400.00                                                                      | 10,300.00             | 10,300.16             | 10,294.34             | 47.92            | 10.70         | -92.41                 | 3,776.73                           | -188.80     | 1,444.00               | 1,385.09                | 58.91                     | 24.512            |            |                    |
| 12,500.00                                                                      | 10,300.00             | 10,299.72             | 10,293.90             | 49.53            | 10.70         | -92.29                 | 3,776.74                           | -188.80     | 1,345.02               | 1,284.43                | 60.59                     | 22.200            |            |                    |
| 12,600.00                                                                      | 10,300.00             | 10,299.29             | 10,293.46             | 51.15            | 10.70         | -92.16                 | 3,776.74                           | -188.81     | 1,246.20               | 1,183.92                | 62.28                     | 20.010            |            |                    |
| 12,700.00                                                                      | 10,300.00             | 10,298.85             | 10,293.03             | 52.78            | 10.70         | -92.03                 | 3,776.74                           | -188.81     | 1,147.58               | 1,083.60                | 63.98                     | 17.936            |            |                    |
| 12,800.00                                                                      | 10,300.00             | 10,298.41             | 10,292.59             | 54.42            | 10.70         | -91.91                 | 3,776.74                           | -188.82     | 1,049.22               | 983.52                  | 65.70                     | 15.971            |            |                    |
| 12,900.00                                                                      | 10,300.00             | 10,297.98             | 10,292.16             | 56.08            | 10.70         | -91.78                 | 3,776.74                           | -188.82     | 951.21                 | 883.78                  | 67.42                     | 14.108            |            |                    |
| 13,000.00                                                                      | 10,300.00             | 10,297.55             | 10,291.73             | 57.74            | 10.70         | -91.66                 | 3,776.75                           | -188.83     | 853.65                 | 784.49                  | 69.16                     | 12.343            |            |                    |
| 13,100.00                                                                      | 10,300.00             | 10,297.12             | 10,291.30             | 59.42            | 10.69         | -91.53                 | 3,776.75                           | -188.83     | 756.74                 | 685.83                  | 70.91                     | 10.673            |            |                    |
| 13,200.00                                                                      | 10,300.00             | 10,296.69             | 10,290.87             | 61.10            | 10.70         | -91.41                 | 3,776.75                           | -188.84     | 660.74                 | 588.08                  | 72.66                     | 9.094             |            |                    |
| 13,300.00                                                                      | 10,300.00             | 10,296.26             | 10,290.44             | 62.79            | 10.69         | -91.29                 | 3,776.75                           | -188.84     | 566.13                 | 491.71                  | 74.42                     | 7.607             |            |                    |
| 13,400.00                                                                      | 10,300.00             | 10,295.84             | 10,290.02             | 64.49            | 10.69         | -91.16                 | 3,776.75                           | -188.85     | 473.74                 | 397.55                  | 76.19                     | 6.218             |            |                    |
| 13,500.00                                                                      | 10,300.00             | 10,295.41             | 10,289.59             | 66.20            | 10.69         | -91.04                 | 3,776.75                           | -188.85     | 385.17                 | 307.21                  | 77.96                     | 4.940             |            |                    |
| 13,600.00                                                                      | 10,300.00             | 10,294.99             | 10,289.17             | 67.91            | 10.69         | -90.92                 | 3,776.76                           | -188.86     | 303.78                 | 224.04                  | 79.74                     | 3.809             |            |                    |
| 13,700.00                                                                      | 10,300.00             | 10,294.57             | 10,288.75             | 69.62            | 10.69         | -90.80                 | 3,776.76                           | -188.86     | 237.09                 | 155.56                  | 81.53                     | 2.908             |            |                    |
| 13,800.00                                                                      | 10,300.00             | 10,294.15             | 10,288.33             | 71.34            | 10.69         | -90.68                 | 3,776.76                           | -188.87     | 200.34                 | 117.02                  | 83.32                     | 2.404             |            |                    |
| 13,830.38                                                                      | 10,300.00             | 10,294.03             | 10,288.21             | 71.87            | 10.69         | -90.64                 | 3,776.76                           | -188.87     | 198.02                 | 114.11                  | 83.91                     | 2.360             | CC, ES, SF |                    |
| 13,900.00                                                                      | 10,300.00             | 10,293.74             | 10,287.92             | 73.07            | 10.69         | -90.55                 | 3,776.76                           | -188.87     | 209.91                 | 124.79                  | 85.12                     | 2.466             |            |                    |
| 14,000.00                                                                      | 10,300.00             | 10,293.32             | 10,287.50             | 74.80            | 10.69         | -90.43                 | 3,776.76                           | -188.88     | 260.74                 | 173.82                  | 86.92                     | 3.000             |            |                    |
| 14,100.00                                                                      | 10,300.00             | 10,292.91             | 10,287.09             | 76.54            | 10.69         | -90.31                 | 3,776.77                           | -188.88     | 334.53                 | 245.81                  | 88.72                     | 3.771             |            |                    |
| 14,200.00                                                                      | 10,300.00             | 10,292.49             | 10,286.67             | 78.28            | 10.69         | -90.20                 | 3,776.77                           | -188.88     | 419.33                 | 328.80                  | 90.53                     | 4.632             |            |                    |
| 14,300.00                                                                      | 10,300.00             | 10,292.08             | 10,286.26             | 80.02            | 10.69         | -90.08                 | 3,776.77                           | -188.89     | 509.66                 | 417.33                  | 92.34                     | 5.519             |            |                    |
| 14,400.00                                                                      | 10,300.00             | 10,291.68             | 10,285.86             | 81.76            | 10.69         | -89.96                 | 3,776.77                           | -188.89     | 603.06                 | 508.91                  | 94.15                     | 6.405             |            |                    |
| 14,500.00                                                                      | 10,300.00             | 10,291.27             | 10,285.45             | 83.51            | 10.69         | -89.84                 | 3,776.77                           | -188.90     | 698.29                 | 602.32                  | 95.97                     | 7.276             |            |                    |
| 14,600.00                                                                      | 10,300.00             | 10,290.86             | 10,285.04             | 85.27            | 10.69         | -89.72                 | 3,776.77                           | -188.90     | 794.69                 | 696.90                  | 97.79                     | 8.126             |            |                    |
| 14,700.00                                                                      | 10,300.00             | 10,290.46             | 10,284.64             | 87.02            | 10.69         | -89.61                 | 3,776.78                           | -188.91     | 891.88                 | 792.27                  | 99.61                     | 8.953             |            |                    |
| 14,800.00                                                                      | 10,300.00             | 10,290.06             | 10,284.24             | 88.78            | 10.69         | -89.49                 | 3,776.78                           | -188.91     | 989.63                 | 888.19                  | 101.44                    | 9.756             |            |                    |
| 14,900.00                                                                      | 10,300.00             | 10,289.66             | 10,283.84             | 90.54            | 10.69         | -89.37                 | 3,776.78                           | -188.92     | 1,087.79               | 984.53                  | 103.26                    | 10.534            |            |                    |
| 15,000.00                                                                      | 10,300.00             | 10,289.26             | 10,283.44             | 92.30            | 10.69         | -89.26                 | 3,776.78                           | -188.92     | 1,186.26               | 1,081.17                | 105.09                    | 11.288            |            |                    |
| 15,100.00                                                                      | 10,300.00             | 10,288.86             | 10,283.04             | 94.07            | 10.69         | -89.14                 | 3,776.78                           | -188.92     | 1,284.97               | 1,178.04                | 106.92                    | 12.018            |            |                    |
| 15,200.00                                                                      | 10,300.00             | 10,288.46             | 10,282.64             | 95.83            | 10.69         | -89.03                 | 3,776.78                           | -188.93     | 1,383.86               | 1,275.10                | 108.76                    | 12.724            |            |                    |
| 15,300.00                                                                      | 10,300.00             | 10,288.07             | 10,282.25             | 97.60            | 10.68         | -88.91                 | 3,776.79                           | -188.93     | 1,482.89               | 1,372.31                | 110.59                    | 13.409            |            |                    |
| 15,400.00                                                                      | 10,300.00             | 10,287.67             | 10,281.85             | 99.37            | 10.68         | -88.80                 | 3,776.79                           | -188.94     | 1,582.05               | 1,469.63                | 112.42                    | 14.072            |            |                    |
| 15,500.00                                                                      | 10,300.00             | 10,287.28             | 10,281.46             | 101.15           | 10.68         | -88.69                 | 3,776.79                           | -188.94     | 1,681.31               | 1,567.05                | 114.26                    | 14.715            |            |                    |
| 15,600.00                                                                      | 10,300.00             | 10,286.89             | 10,281.07             | 102.92           | 10.68         | -88.58                 | 3,776.79                           | -188.95     | 1,780.66               | 1,664.56                | 116.10                    | 15.337            |            |                    |
| 15,700.00                                                                      | 10,300.00             | 10,286.50             | 10,280.68             | 104.70           | 10.68         | -88.46                 | 3,776.79                           | -188.95     | 1,880.07               | 1,762.13                | 117.94                    | 15.941            |            |                    |
| 15,800.00                                                                      | 10,300.00             | 10,286.11             | 10,280.30             | 106.47           | 10.68         | -88.35                 | 3,776.79                           | -188.95     | 1,979.54               | 1,859.76                | 119.78                    | 16.527            |            |                    |
| 15,900.00                                                                      | 10,300.00             | 10,285.73             | 10,279.91             | 108.25           | 10.68         | -88.24                 | 3,776.79                           | -188.96     | 2,079.06               | 1,957.44                | 121.62                    | 17.095            |            |                    |
| 16,000.00                                                                      | 10,300.00             | 10,285.34             | 10,279.52             | 110.03           | 10.68         | -88.13                 | 3,776.80                           | -188.96     | 2,178.63               | 2,055.17                | 123.46                    | 17.646            |            |                    |
| 16,100.00                                                                      | 10,300.00             | 10,284.96             | 10,279.14             | 111.81           | 10.68         | -88.02                 | 3,776.80                           | -188.97     | 2,278.23               | 2,152.93                | 125.30                    | 18.182            |            |                    |
| 16,200.00                                                                      | 10,300.00             | 10,284.58             | 10,278.76             | 113.60           | 10.68         | -87.91                 | 3,776.80                           | -188.97     | 2,377.87               | 2,250.72                | 127.15                    | 18.702            |            |                    |
| 16,300.00                                                                      | 10,300.00             | 10,284.20             | 10,278.38             | 115.38           | 10.68         | -87.80                 | 3,776.80                           | -188.98     | 2,477.53               | 2,348.54                | 128.99                    | 19.207            |            |                    |
| 16,400.00                                                                      | 10,300.00             | 10,283.82             | 10,278.00             | 117.17           | 10.68         | -87.69                 | 3,776.80                           | -188.98     | 2,577.22               | 2,446.39                | 130.83                    | 19.698            |            |                    |
| 16,500.00                                                                      | 10,300.00             | 10,283.44             | 10,277.62             | 118.95           | 10.68         | -87.58                 | 3,776.80                           | -188.98     | 2,676.94               | 2,544.26                | 132.68                    | 20.176            |            |                    |
| 16,600.00                                                                      | 10,300.00             | 10,283.07             | 10,277.25             | 120.74           | 10.68         | -87.47                 | 3,776.81                           | -188.99     | 2,776.67               | 2,642.15                | 134.52                    | 20.641            |            |                    |
| 16,700.00                                                                      | 10,300.00             | 10,282.69             | 10,276.87             | 122.53           | 10.68         | -87.36                 | 3,776.81                           | -188.99     | 2,876.43               | 2,740.06                | 136.37                    | 21.093            |            |                    |
| 16,800.00                                                                      | 10,300.00             | 10,282.32             | 10,276.50             | 124.32           | 10.68         | -87.26                 | 3,776.81                           | -189.00     | 2,976.20               | 2,837.98                | 138.22                    | 21.533            |            |                    |
| 16,900.00                                                                      | 10,300.00             | 10,281.95             | 10,276.13             | 126.11           | 10.68         | -87.15                 | 3,776.81                           | -189.00     | 3,075.98               | 2,935.92                | 140.06                    | 21.961            |            |                    |
| 17,000.00                                                                      | 10,300.00             | 10,281.58             | 10,275.76             | 127.90           | 10.68         | -87.04                 | 3,776.81                           | -189.00     | 3,175.78               | 3,033.87                | 141.91                    | 22.379            |            |                    |
| 17,100.00                                                                      | 10,300.00             | 10,281.21             | 10,275.39             | 129.69           | 10.68         | -86.94                 | 3,776.81                           | -189.01     | 3,275.59               | 3,131.83                | 143.76                    | 22.786            |            |                    |
| 17,200.00                                                                      | 10,300.00             | 10,280.84             | 10,275.02             | 131.48           | 10.68         | -86.83                 | 3,776.81                           | -189.01     | 3,375.41               | 3,229.81                | 145.60                    | 23.182            |            |                    |
| 17,300.00                                                                      | 10,300.00             | 10,280.47             | 10,274.66             | 133.28           | 10.68         | -86.72                 | 3,776.82                           | -189.02     | 3,475.24               | 3,327.79                | 147.45                    | 23.569            |            |                    |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at:        | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design                              |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           |                   | Bell Lake Unit #22 - Bell Lake Unit #22 - Wellbore #1 - SDI Gyro |  | Offset Site Error: 0.00 usft |  |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------------------------------|-------------|------------------------|-------------------------|---------------------------|-------------------|------------------------------------------------------------------|--|------------------------------|--|
| Survey Program: 89-SDI Standard Keeper 103 |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           |                   | Offset Well Error: 0.00 usft                                     |  |                              |  |
| Reference                                  |                       | Offset                |                       | Semi Major Axis  |               | Distance              |                                    |             |                        |                         |                           |                   |                                                                  |  |                              |  |
| Measured Depth (usft)                      | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N-S (usft) | +E-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor | Warning                                                          |  |                              |  |
| 17,400.00                                  | 10,300.00             | 10,280.11             | 10,274.29             | 135.07           | 10.67         | -86.62                | 3,776.82                           | -189.02     | 3,575.09               | 3,425.79                | 149.30                    | 23.946            |                                                                  |  |                              |  |
| 17,500.00                                  | 10,300.00             | 10,279.75             | 10,273.93             | 136.87           | 10.67         | -86.51                | 3,776.82                           | -189.02     | 3,674.94               | 3,523.79                | 151.15                    | 24.314            |                                                                  |  |                              |  |
| 17,600.00                                  | 10,300.00             | 10,279.38             | 10,273.56             | 138.66           | 10.67         | -86.41                | 3,776.82                           | -189.03     | 3,774.79               | 3,621.80                | 152.99                    | 24.673            |                                                                  |  |                              |  |
| 17,700.00                                  | 10,300.00             | 10,279.02             | 10,273.20             | 140.46           | 10.67         | -86.31                | 3,776.82                           | -189.03     | 3,874.66               | 3,719.82                | 154.84                    | 25.024            |                                                                  |  |                              |  |
| 17,800.00                                  | 10,300.00             | 10,278.66             | 10,272.84             | 142.25           | 10.67         | -86.20                | 3,776.82                           | -189.04     | 3,974.53               | 3,817.84                | 156.69                    | 25.366            |                                                                  |  |                              |  |
| 17,900.00                                  | 10,300.00             | 10,278.30             | 10,272.49             | 144.05           | 10.67         | -86.10                | 3,776.82                           | -189.04     | 4,074.41               | 3,915.87                | 158.53                    | 25.700            |                                                                  |  |                              |  |
| 18,000.00                                  | 10,300.00             | 10,277.95             | 10,272.13             | 145.85           | 10.67         | -86.00                | 3,776.83                           | -189.04     | 4,174.29               | 4,013.91                | 160.38                    | 26.027            |                                                                  |  |                              |  |
| 18,100.00                                  | 10,300.00             | 10,277.59             | 10,271.77             | 147.65           | 10.67         | -85.89                | 3,776.83                           | -189.05     | 4,274.18               | 4,111.95                | 162.23                    | 26.347            |                                                                  |  |                              |  |
| 18,200.00                                  | 10,300.00             | 10,277.24             | 10,271.42             | 149.45           | 10.67         | -85.79                | 3,776.83                           | -189.05     | 4,374.08               | 4,210.00                | 164.07                    | 26.659            |                                                                  |  |                              |  |
| 18,231.11                                  | 10,300.00             | 10,277.13             | 10,271.31             | 149.91           | 10.67         | -85.76                | 3,776.83                           | -189.05     | 4,405.15               | 4,240.60                | 164.55                    | 26.771            |                                                                  |  |                              |  |

## Anticollision Report



|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at:        | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design Bell Lake Unit North - #2H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                   |            |                        |                         |                           |                   | Offset Site Error: |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-----------------------------------|------------|------------------------|-------------------------|---------------------------|-------------------|--------------------|
| Survey Program: 0-SDI MWD                               |                       |                       |                       |                  |               |                       |                                   |            |                        |                         |                           |                   | 0.00 usft          |
| Reference                                               | Offset                | Semi Major Axis       |                       | Distance         |               | Minimum Separation    |                                   | Warning    |                        | Offset Well Error:      |                           |                   |                    |
| Measured Depth (usft)                                   | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre N-S (usft) | E-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor |                    |
| 0.00                                                    | 0.00                  | 0.00                  | 0.00                  | 0.00             | 0.00          | 1.72                  | 8,858.90                          | 265.50     | 8,862.91               |                         |                           |                   |                    |
| 100.00                                                  | 100.00                | 76.00                 | 76.00                 | 0.09             | 0.07          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,862.73                | 0.15                      | N/A               |                    |
| 200.00                                                  | 200.00                | 176.00                | 176.00                | 0.31             | 0.26          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,862.31                | 0.57                      | N/A               |                    |
| 300.00                                                  | 300.00                | 276.00                | 276.00                | 0.54             | 0.48          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,861.86                | 1.02                      | 8,704.539         |                    |
| 400.00                                                  | 400.00                | 376.00                | 376.00                | 0.76             | 0.71          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,861.41                | 1.47                      | 6,038.524         |                    |
| 500.00                                                  | 500.00                | 476.00                | 476.00                | 0.99             | 0.93          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,860.96                | 1.92                      | 4,622.692         |                    |
| 600.00                                                  | 600.00                | 576.00                | 576.00                | 1.21             | 1.16          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,860.51                | 2.37                      | 3,744.688         |                    |
| 700.00                                                  | 700.00                | 676.00                | 676.00                | 1.44             | 1.38          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,860.06                | 2.82                      | 3,146.973         |                    |
| 800.00                                                  | 800.00                | 776.00                | 776.00                | 1.66             | 1.61          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,859.61                | 3.27                      | 2,713.804         |                    |
| 900.00                                                  | 900.00                | 876.00                | 876.00                | 1.88             | 1.83          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,859.16                | 3.72                      | 2,385.455         |                    |
| 1,000.00                                                | 1,000.00              | 976.00                | 976.00                | 2.11             | 2.06          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,858.71                | 4.16                      | 2,127.985         |                    |
| 1,100.00                                                | 1,100.00              | 1,076.00              | 1,076.00              | 2.33             | 2.28          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,858.26                | 4.61                      | 1,920.680         |                    |
| 1,200.00                                                | 1,200.00              | 1,176.00              | 1,176.00              | 2.56             | 2.51          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,857.81                | 5.06                      | 1,750.181         |                    |
| 1,300.00                                                | 1,300.00              | 1,276.00              | 1,276.00              | 2.78             | 2.73          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,857.36                | 5.51                      | 1,607.483         |                    |
| 1,400.00                                                | 1,400.00              | 1,376.00              | 1,376.00              | 3.01             | 2.95          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,856.91                | 5.96                      | 1,486.301         |                    |
| 1,500.00                                                | 1,500.00              | 1,476.00              | 1,476.00              | 3.23             | 3.18          | 1.72                  | 8,858.90                          | 265.50     | 8,862.88               | 8,856.47                | 6.41                      | 1,382.109         |                    |
| 1,600.00                                                | 1,600.00              | 17,977.92             | 10,300.00             | 3.46             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,859.47               | 8,723.89                | 135.58                    | 65.347            |                    |
| 1,700.00                                                | 1,700.00              | 17,977.92             | 10,300.00             | 3.68             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,761.01               | 8,625.21                | 135.80                    | 64.514            |                    |
| 1,800.00                                                | 1,800.00              | 17,977.92             | 10,300.00             | 3.91             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,662.59               | 8,526.57                | 136.03                    | 63.684            |                    |
| 1,900.00                                                | 1,900.00              | 17,977.92             | 10,300.00             | 4.13             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,564.21               | 8,427.96                | 136.25                    | 62.856            |                    |
| 2,000.00                                                | 2,000.00              | 17,977.92             | 10,300.00             | 4.36             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,465.87               | 8,329.39                | 136.48                    | 62.032            |                    |
| 2,100.00                                                | 2,100.00              | 17,977.92             | 10,300.00             | 4.58             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,367.56               | 8,230.86                | 136.70                    | 61.211            |                    |
| 2,200.00                                                | 2,200.00              | 17,977.92             | 10,300.00             | 4.81             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,269.30               | 8,132.38                | 136.92                    | 60.393            |                    |
| 2,300.00                                                | 2,300.00              | 17,977.92             | 10,300.00             | 5.03             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,171.08               | 8,033.93                | 137.15                    | 59.578            |                    |
| 2,400.00                                                | 2,400.00              | 17,977.92             | 10,300.00             | 5.26             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 8,072.90               | 7,935.53                | 137.37                    | 58.766            |                    |
| 2,500.00                                                | 2,500.00              | 17,977.92             | 10,300.00             | 5.48             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,974.77               | 7,837.17                | 137.60                    | 57.957            |                    |
| 2,600.00                                                | 2,600.00              | 17,977.92             | 10,300.00             | 5.71             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,876.68               | 7,738.86                | 137.82                    | 57.150            |                    |
| 2,700.00                                                | 2,700.00              | 17,977.92             | 10,300.00             | 5.93             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,778.65               | 7,640.60                | 138.05                    | 56.347            |                    |
| 2,800.00                                                | 2,800.00              | 17,977.92             | 10,300.00             | 6.16             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,680.66               | 7,542.39                | 138.27                    | 55.547            |                    |
| 2,900.00                                                | 2,900.00              | 17,977.92             | 10,300.00             | 6.38             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,582.73               | 7,444.23                | 138.50                    | 54.750            |                    |
| 3,000.00                                                | 3,000.00              | 17,977.92             | 10,300.00             | 6.60             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,484.85               | 7,346.12                | 138.72                    | 53.955            |                    |
| 3,100.00                                                | 3,100.00              | 17,977.92             | 10,300.00             | 6.83             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,387.02               | 7,248.08                | 138.95                    | 53.164            |                    |
| 3,200.00                                                | 3,200.00              | 17,977.92             | 10,300.00             | 7.05             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,289.26               | 7,150.09                | 139.17                    | 52.376            |                    |
| 3,300.00                                                | 3,300.00              | 17,977.92             | 10,300.00             | 7.28             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,191.56               | 7,052.16                | 139.40                    | 51.590            |                    |
| 3,400.00                                                | 3,400.00              | 17,977.92             | 10,300.00             | 7.50             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 7,093.92               | 6,954.30                | 139.62                    | 50.808            |                    |
| 3,500.00                                                | 3,500.00              | 17,977.92             | 10,300.00             | 7.73             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,996.35               | 6,856.50                | 139.85                    | 50.029            |                    |
| 3,600.00                                                | 3,600.00              | 17,977.92             | 10,300.00             | 7.95             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,898.85               | 6,758.78                | 140.07                    | 49.252            |                    |
| 3,700.00                                                | 3,700.00              | 17,977.92             | 10,300.00             | 8.18             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,801.42               | 6,661.12                | 140.30                    | 48.479            |                    |
| 3,800.00                                                | 3,800.00              | 17,977.92             | 10,300.00             | 8.40             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,704.07               | 6,563.55                | 140.52                    | 47.709            |                    |
| 3,900.00                                                | 3,900.00              | 17,977.92             | 10,300.00             | 8.63             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,606.79               | 6,466.05                | 140.75                    | 46.941            |                    |
| 4,000.00                                                | 4,000.00              | 17,977.92             | 10,300.00             | 8.85             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,509.60               | 6,368.63                | 140.97                    | 46.177            |                    |
| 4,100.00                                                | 4,100.00              | 17,977.92             | 10,300.00             | 9.08             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,412.50               | 6,271.30                | 141.20                    | 45.416            |                    |
| 4,200.00                                                | 4,200.00              | 17,977.92             | 10,300.00             | 9.30             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,315.48               | 6,174.06                | 141.42                    | 44.658            |                    |
| 4,300.00                                                | 4,300.00              | 17,977.92             | 10,300.00             | 9.53             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,218.56               | 6,076.92                | 141.64                    | 43.903            |                    |
| 4,400.00                                                | 4,400.00              | 17,977.92             | 10,300.00             | 9.75             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,121.74               | 5,979.87                | 141.87                    | 43.151            |                    |
| 4,500.00                                                | 4,500.00              | 17,977.92             | 10,300.00             | 9.98             | 145.94        | -54.04                | 906.20                            | -1,249.30  | 6,025.03               | 5,882.93                | 142.09                    | 42.402            |                    |
| 4,600.00                                                | 4,600.00              | 17,977.92             | 10,300.00             | 10.20            | 145.94        | -54.04                | 906.20                            | -1,249.30  | 5,928.42               | 5,786.10                | 142.32                    | 41.656            |                    |
| 4,700.00                                                | 4,700.00              | 17,977.92             | 10,300.00             | 10.43            | 145.94        | -54.04                | 906.20                            | -1,249.30  | 5,831.92               | 5,689.38                | 142.54                    | 40.913            |                    |
| 4,800.00                                                | 4,800.00              | 17,977.92             | 10,300.00             | 10.65            | 145.94        | -54.04                | 906.20                            | -1,249.30  | 5,735.55               | 5,592.78                | 142.77                    | 40.174            |                    |
| 4,900.00                                                | 4,900.00              | 17,977.92             | 10,300.00             | 10.88            | 145.94        | -54.04                | 906.20                            | -1,249.30  | 5,639.30               | 5,496.31                | 142.99                    | 39.438            |                    |
| 5,000.00                                                | 5,000.00              | 17,977.92             | 10,300.00             | 11.10            | 145.94        | -54.04                | 906.20                            | -1,249.30  | 5,543.19               | 5,399.97                | 143.22                    | 38.705            |                    |
| 5,100.00                                                | 5,100.00              | 17,977.92             | 10,300.00             | 11.32            | 145.94        | -54.04                | 906.20                            | -1,249.30  | 5,447.21               | 5,303.77                | 143.44                    | 37.975            |                    |

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design Bell Lake Unit North - #2H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           |                   | Offset Site Error: 0.00 usft |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|--------------|------------------------|-------------------------|---------------------------|-------------------|------------------------------|
| Survey Program: 0-SDJ MWD                               |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           |                   | Offset Well Error: 0.00 usft |
| Measured Depth (usft)                                   | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor | Warning                      |
| 5,200.00                                                | 5,200.00              | 17,977.92             | 10,300.00             | 11.55            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 5,351.39               | 5,207.72                | 143.67                    | 37.248            |                              |
| 5,300.00                                                | 5,300.00              | 17,977.92             | 10,300.00             | 11.77            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 5,255.71               | 5,111.82                | 143.89                    | 36.525            |                              |
| 5,400.00                                                | 5,400.00              | 17,977.92             | 10,300.00             | 12.00            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 5,160.21               | 5,016.09                | 144.12                    | 35.806            |                              |
| 5,500.00                                                | 5,500.00              | 17,977.92             | 10,300.00             | 12.22            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 5,064.87               | 4,920.53                | 144.34                    | 35.089            |                              |
| 5,600.00                                                | 5,600.00              | 17,977.92             | 10,300.00             | 12.45            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,969.72               | 4,825.15                | 144.57                    | 34.377            |                              |
| 5,700.00                                                | 5,700.00              | 17,977.92             | 10,300.00             | 12.67            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,874.76               | 4,729.97                | 144.79                    | 33.667            |                              |
| 5,800.00                                                | 5,800.00              | 17,977.92             | 10,300.00             | 12.90            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,780.01               | 4,635.00                | 145.02                    | 32.962            |                              |
| 5,900.00                                                | 5,900.00              | 17,977.92             | 10,300.00             | 13.12            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,685.48               | 4,540.24                | 145.24                    | 32.260            |                              |
| 6,000.00                                                | 6,000.00              | 17,977.92             | 10,300.00             | 13.35            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,591.18               | 4,445.71                | 145.47                    | 31.562            |                              |
| 6,100.00                                                | 6,100.00              | 17,977.92             | 10,300.00             | 13.57            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,497.12               | 4,351.43                | 145.69                    | 30.868            |                              |
| 6,200.00                                                | 6,200.00              | 17,977.92             | 10,300.00             | 13.80            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,403.33               | 4,257.42                | 145.92                    | 30.177            |                              |
| 6,300.00                                                | 6,300.00              | 17,977.92             | 10,300.00             | 14.02            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,309.82               | 4,163.68                | 146.14                    | 29.491            |                              |
| 6,400.00                                                | 6,400.00              | 17,977.92             | 10,300.00             | 14.25            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,216.60               | 4,070.24                | 146.36                    | 28.809            |                              |
| 6,500.00                                                | 6,500.00              | 17,977.92             | 10,300.00             | 14.47            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,123.70               | 3,977.11                | 146.59                    | 28.131            |                              |
| 6,600.00                                                | 6,600.00              | 17,977.92             | 10,300.00             | 14.70            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 4,031.14               | 3,884.33                | 146.81                    | 27.457            |                              |
| 6,700.00                                                | 6,700.00              | 17,977.92             | 10,300.00             | 14.92            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,938.95               | 3,791.91                | 147.04                    | 26.788            |                              |
| 6,800.00                                                | 6,800.00              | 17,977.92             | 10,300.00             | 15.15            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,847.15               | 3,699.88                | 147.26                    | 26.124            |                              |
| 6,900.00                                                | 6,900.00              | 17,977.92             | 10,300.00             | 15.37            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,755.76               | 3,608.27                | 147.49                    | 25.465            |                              |
| 7,000.00                                                | 7,000.00              | 17,977.92             | 10,300.00             | 15.60            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,664.82               | 3,517.11                | 147.71                    | 24.810            |                              |
| 7,100.00                                                | 7,100.00              | 17,977.92             | 10,300.00             | 15.82            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,574.37               | 3,426.43                | 147.94                    | 24.161            |                              |
| 7,200.00                                                | 7,200.00              | 17,977.92             | 10,300.00             | 16.04            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,484.44               | 3,336.28                | 148.16                    | 23.518            |                              |
| 7,300.00                                                | 7,300.00              | 17,977.92             | 10,300.00             | 16.27            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,395.07               | 3,246.69                | 148.39                    | 22.880            |                              |
| 7,400.00                                                | 7,400.00              | 17,977.92             | 10,300.00             | 16.49            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,306.32               | 3,157.70                | 148.61                    | 22.248            |                              |
| 7,500.00                                                | 7,500.00              | 17,977.92             | 10,300.00             | 16.72            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,218.22               | 3,069.38                | 148.84                    | 21.622            |                              |
| 7,600.00                                                | 7,600.00              | 17,977.92             | 10,300.00             | 16.94            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,130.83               | 2,981.77                | 149.06                    | 21.004            |                              |
| 7,700.00                                                | 7,700.00              | 17,977.92             | 10,300.00             | 17.17            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 3,044.23               | 2,894.94                | 149.29                    | 20.392            |                              |
| 7,800.00                                                | 7,800.00              | 17,977.92             | 10,300.00             | 17.39            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,958.47               | 2,808.96                | 149.51                    | 19.788            |                              |
| 7,900.00                                                | 7,900.00              | 17,977.92             | 10,300.00             | 17.62            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,873.63               | 2,723.89                | 149.74                    | 19.191            |                              |
| 8,000.00                                                | 8,000.00              | 17,977.92             | 10,300.00             | 17.84            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,789.79               | 2,639.83                | 149.96                    | 18.603            |                              |
| 8,100.00                                                | 8,100.00              | 17,977.92             | 10,300.00             | 18.07            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,707.05               | 2,556.87                | 150.19                    | 18.025            |                              |
| 8,200.00                                                | 8,200.00              | 17,977.92             | 10,300.00             | 18.29            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,625.51               | 2,475.10                | 150.41                    | 17.456            |                              |
| 8,300.00                                                | 8,300.00              | 17,977.92             | 10,300.00             | 18.52            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,545.29               | 2,394.66                | 150.64                    | 16.897            |                              |
| 8,400.00                                                | 8,400.00              | 17,977.92             | 10,300.00             | 18.74            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,466.52               | 2,315.66                | 150.86                    | 16.350            |                              |
| 8,500.00                                                | 8,500.00              | 17,977.92             | 10,300.00             | 18.97            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,389.34               | 2,238.25                | 151.08                    | 15.815            |                              |
| 8,600.00                                                | 8,600.00              | 17,977.92             | 10,300.00             | 19.19            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,313.90               | 2,162.59                | 151.31                    | 15.292            |                              |
| 8,700.00                                                | 8,700.00              | 17,977.92             | 10,300.00             | 19.42            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,240.39               | 2,088.85                | 151.53                    | 14.785            |                              |
| 8,800.00                                                | 8,800.00              | 17,977.92             | 10,300.00             | 19.64            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,168.99               | 2,017.23                | 151.76                    | 14.292            |                              |
| 8,900.00                                                | 8,900.00              | 17,977.92             | 10,300.00             | 19.87            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,099.93               | 1,947.95                | 151.98                    | 13.817            |                              |
| 9,000.00                                                | 9,000.00              | 17,977.92             | 10,300.00             | 20.09            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 2,033.45               | 1,881.24                | 152.21                    | 13.360            |                              |
| 9,100.00                                                | 9,100.00              | 17,977.92             | 10,300.00             | 20.32            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,969.80               | 1,817.37                | 152.43                    | 12.922            |                              |
| 9,200.00                                                | 9,200.00              | 17,977.92             | 10,300.00             | 20.54            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,909.27               | 1,756.62                | 152.66                    | 12.507            |                              |
| 9,300.00                                                | 9,300.00              | 17,977.92             | 10,300.00             | 20.77            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,852.17               | 1,699.28                | 152.88                    | 12.115            |                              |
| 9,400.00                                                | 9,400.00              | 17,977.92             | 10,300.00             | 20.99            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,798.81               | 1,645.70                | 153.11                    | 11.749            |                              |
| 9,500.00                                                | 9,500.00              | 17,977.92             | 10,300.00             | 21.21            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,749.55               | 1,596.22                | 153.33                    | 11.410            |                              |
| 9,600.00                                                | 9,600.00              | 17,977.92             | 10,300.00             | 21.44            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,704.74               | 1,551.18                | 153.56                    | 11.102            |                              |
| 9,700.00                                                | 9,700.00              | 17,977.92             | 10,300.00             | 21.66            | 145.94        | -54.04                | 906.20                              | -1,249.30    | 1,664.73               | 1,510.95                | 153.78                    | 10.825            |                              |
| 9,800.00                                                | 9,799.80              | 17,977.92             | 10,300.00             | 21.89            | 145.94        | -56.62                | 906.20                              | -1,249.30    | 1,627.38               | 1,470.95                | 156.43                    | 10.403            |                              |
| 9,900.00                                                | 9,897.39              | 17,977.92             | 10,300.00             | 22.10            | 145.94        | -60.41                | 906.20                              | -1,249.30    | 1,586.76               | 1,426.92                | 159.85                    | 9.927             |                              |
| 10,000.00                                               | 9,989.79              | 17,977.92             | 10,300.00             | 22.31            | 145.94        | -64.66                | 906.20                              | -1,249.30    | 1,543.53               | 1,380.80                | 162.73                    | 9.485             |                              |
| 10,100.00                                               | 10,074.21             | 17,977.92             | 10,300.00             | 22.54            | 145.94        | -69.26                | 906.20                              | -1,249.30    | 1,498.81               | 1,333.85                | 164.96                    | 9.086             |                              |
| 10,200.00                                               | 10,148.09             | 17,977.92             | 10,300.00             | 22.82            | 145.94        | -74.03                | 906.20                              | -1,249.30    | 1,453.91               | 1,287.40                | 166.51                    | 8.732             |                              |
| 10,300.00                                               | 10,209.17             | 17,977.92             | 10,300.00             | 23.17            | 145.94        | -78.75                | 906.20                              | -1,249.30    | 1,410.23               | 1,242.80                | 167.43                    | 8.423             |                              |

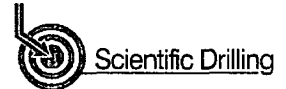
CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at:        | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design Bell Lake Unit North - #2H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           |                   |         | Offset Site Error: 0.00 usft |  |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|--------------|------------------------|-------------------------|---------------------------|-------------------|---------|------------------------------|--|
| Survey Program: 0-SDI MWD                               |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           |                   |         | Offset Well Error: 0.00 usft |  |
| Reference                                               |                       | Offset                |                       | Semi Major Axis  |               |                       | Distance                            |              |                        |                         |                           |                   |         |                              |  |
| Measured Depth (usft)                                   | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor | Warning |                              |  |
| 10,400.00                                               | 10,255.60             | 17,977.92             | 10,300.00             | 23.61            | 145.94        | -83.18                | 906.20                              | -1,249.30    | 1,369.27               | 1,201.37                | 167.90                    | 8.155             |         |                              |  |
| 10,500.00                                               | 10,285.97             | 17,977.92             | 10,300.00             | 24.15            | 145.94        | -87.11                | 906.20                              | -1,249.30    | 1,332.59               | 1,164.41                | 168.18                    | 7.923             |         |                              |  |
| 10,600.00                                               | 10,299.36             | 17,977.92             | 10,300.00             | 24.80            | 145.94        | -90.36                | 906.20                              | -1,249.30    | 1,301.71               | 1,133.19                | 168.52                    | 7.724             |         |                              |  |
| 10,700.00                                               | 10,300.00             | 17,977.92             | 10,300.00             | 25.53            | 145.94        | -91.10                | 906.20                              | -1,249.30    | 1,277.88               | 1,108.69                | 169.20                    | 7.553             |         |                              |  |
| 10,800.00                                               | 10,300.00             | 17,977.92             | 10,300.00             | 26.37            | 145.94        | -91.10                | 906.20                              | -1,249.30    | 1,261.56               | 1,091.52                | 170.04                    | 7.419             |         |                              |  |
| 10,900.00                                               | 10,300.00             | 17,977.92             | 10,300.00             | 27.31            | 145.94        | -91.10                | 906.20                              | -1,249.30    | 1,253.03               | 1,082.05                | 170.98                    | 7.329             |         |                              |  |
| 10,964.36                                               | 10,300.00             | 17,973.85             | 10,300.00             | 27.97            | 145.86        | -91.10                | 910.27                              | -1,249.30    | 1,251.73               | 1,080.17                | 171.56                    | 7.296             |         |                              |  |
| 11,000.00                                               | 10,300.00             | 17,938.21             | 10,300.00             | 28.33            | 145.24        | -91.10                | 945.91                              | -1,249.30    | 1,251.82               | 1,080.53                | 171.29                    | 7.308             |         |                              |  |
| 11,100.00                                               | 10,300.00             | 17,838.21             | 10,300.00             | 29.43            | 143.48        | -91.10                | 1,045.91                            | -1,249.30    | 1,252.06               | 1,081.46                | 170.60                    | 7.339             |         |                              |  |
| 11,200.00                                               | 10,300.00             | 17,738.21             | 10,300.00             | 30.60            | 141.72        | -91.10                | 1,145.91                            | -1,249.30    | 1,252.31               | 1,082.32                | 169.98                    | 7.367             |         |                              |  |
| 11,300.00                                               | 10,300.00             | 17,638.21             | 10,300.00             | 31.83            | 139.96        | -91.10                | 1,245.91                            | -1,249.30    | 1,252.55               | 1,083.12                | 169.42                    | 7.393             |         |                              |  |
| 11,400.00                                               | 10,300.00             | 17,538.21             | 10,300.00             | 33.12            | 138.20        | -91.10                | 1,345.91                            | -1,249.30    | 1,252.79               | 1,083.87                | 168.92                    | 7.416             |         |                              |  |
| 11,500.00                                               | 10,300.00             | 17,438.21             | 10,300.00             | 34.45            | 136.45        | -91.10                | 1,445.91                            | -1,249.30    | 1,253.03               | 1,084.56                | 168.47                    | 7.438             |         |                              |  |
| 11,600.00                                               | 10,300.00             | 17,338.21             | 10,300.00             | 35.83            | 134.70        | -91.10                | 1,545.91                            | -1,249.30    | 1,253.27               | 1,085.21                | 168.06                    | 7.457             |         |                              |  |
| 11,700.00                                               | 10,300.00             | 17,238.21             | 10,300.00             | 37.24            | 132.95        | -91.10                | 1,645.91                            | -1,249.30    | 1,253.52               | 1,085.82                | 167.70                    | 7.475             |         |                              |  |
| 11,800.00                                               | 10,300.00             | 17,138.21             | 10,300.00             | 38.69            | 131.20        | -91.10                | 1,745.91                            | -1,249.30    | 1,253.76               | 1,086.40                | 167.36                    | 7.491             |         |                              |  |
| 11,900.00                                               | 10,300.00             | 17,038.21             | 10,300.00             | 40.17            | 129.45        | -91.10                | 1,845.91                            | -1,249.30    | 1,254.00               | 1,086.94                | 167.06                    | 7.506             |         |                              |  |
| 12,000.00                                               | 10,300.00             | 16,938.21             | 10,300.00             | 41.68            | 127.71        | -91.10                | 1,945.91                            | -1,249.30    | 1,254.24               | 1,087.46                | 166.79                    | 7.520             |         |                              |  |
| 12,100.00                                               | 10,300.00             | 16,838.21             | 10,300.00             | 43.21            | 125.97        | -91.10                | 2,045.91                            | -1,249.30    | 1,254.49               | 1,087.95                | 166.54                    | 7.533             |         |                              |  |
| 12,200.00                                               | 10,300.00             | 16,738.21             | 10,300.00             | 44.76            | 124.23        | -91.10                | 2,145.91                            | -1,249.30    | 1,254.73               | 1,088.42                | 166.31                    | 7.544             |         |                              |  |
| 12,300.00                                               | 10,300.00             | 16,638.21             | 10,300.00             | 46.33            | 122.49        | -91.10                | 2,245.91                            | -1,249.30    | 1,254.97               | 1,088.86                | 166.11                    | 7.555             |         |                              |  |
| 12,400.00                                               | 10,300.00             | 16,538.21             | 10,300.00             | 47.92            | 120.76        | -91.10                | 2,345.91                            | -1,249.30    | 1,255.21               | 1,089.29                | 165.92                    | 7.565             |         |                              |  |
| 12,500.00                                               | 10,300.00             | 16,438.21             | 10,300.00             | 49.53            | 119.02        | -91.10                | 2,445.91                            | -1,249.30    | 1,255.46               | 1,089.69                | 165.76                    | 7.574             |         |                              |  |
| 12,600.00                                               | 10,300.00             | 16,338.21             | 10,300.00             | 51.15            | 117.30        | -91.10                | 2,545.91                            | -1,249.30    | 1,255.70               | 1,089.95                | 165.74                    | 7.576             |         |                              |  |
| 12,700.00                                               | 10,300.00             | 16,238.21             | 10,300.00             | 52.78            | 115.57        | -91.09                | 2,645.91                            | -1,249.30    | 1,255.94               | 1,090.20                | 165.74                    | 7.578             |         |                              |  |
| 12,800.00                                               | 10,300.00             | 16,138.21             | 10,300.00             | 54.42            | 113.84        | -91.09                | 2,745.91                            | -1,249.30    | 1,256.18               | 1,090.43                | 165.75                    | 7.579             |         |                              |  |
| 12,900.00                                               | 10,300.00             | 16,038.21             | 10,300.00             | 56.08            | 112.12        | -91.09                | 2,845.91                            | -1,249.30    | 1,256.42               | 1,090.65                | 165.78                    | 7.579             |         |                              |  |
| 13,000.00                                               | 10,300.00             | 15,938.21             | 10,300.00             | 57.74            | 110.41        | -91.09                | 2,945.91                            | -1,249.30    | 1,256.67               | 1,090.86                | 165.81                    | 7.579             |         |                              |  |
| 13,100.00                                               | 10,300.00             | 15,838.21             | 10,300.00             | 59.42            | 108.69        | -91.09                | 3,045.91                            | -1,249.31    | 1,256.91               | 1,091.05                | 165.86                    | 7.578             |         |                              |  |
| 13,200.00                                               | 10,300.00             | 15,738.21             | 10,300.00             | 61.10            | 106.98        | -91.09                | 3,145.91                            | -1,249.31    | 1,257.15               | 1,091.24                | 165.91                    | 7.577             |         |                              |  |
| 13,300.00                                               | 10,300.00             | 15,638.21             | 10,300.00             | 62.79            | 105.27        | -91.09                | 3,245.91                            | -1,249.31    | 1,257.39               | 1,091.41                | 165.98                    | 7.576             |         |                              |  |
| 13,400.00                                               | 10,300.00             | 15,538.21             | 10,300.00             | 64.49            | 103.57        | -91.09                | 3,345.91                            | -1,249.31    | 1,257.64               | 1,091.58                | 166.06                    | 7.574             |         |                              |  |
| 13,500.00                                               | 10,300.00             | 15,438.21             | 10,300.00             | 66.20            | 101.87        | -91.09                | 3,445.90                            | -1,249.31    | 1,257.88               | 1,091.74                | 166.14                    | 7.571             |         |                              |  |
| 13,600.00                                               | 10,300.00             | 15,338.21             | 10,300.00             | 67.91            | 100.18        | -91.09                | 3,545.90                            | -1,249.31    | 1,258.12               | 1,091.89                | 166.23                    | 7.568             |         |                              |  |
| 13,700.00                                               | 10,300.00             | 15,238.22             | 10,300.00             | 69.62            | 98.49         | -91.09                | 3,645.90                            | -1,249.31    | 1,258.36               | 1,092.03                | 166.33                    | 7.565             |         |                              |  |
| 13,800.00                                               | 10,300.00             | 15,138.22             | 10,300.00             | 71.34            | 96.80         | -91.09                | 3,745.90                            | -1,249.31    | 1,258.61               | 1,092.16                | 166.44                    | 7.562             |         |                              |  |
| 13,900.00                                               | 10,300.00             | 15,038.22             | 10,300.00             | 73.07            | 95.12         | -91.09                | 3,845.90                            | -1,249.31    | 1,258.85               | 1,092.29                | 166.56                    | 7.558             |         |                              |  |
| 14,000.00                                               | 10,300.00             | 14,938.22             | 10,300.00             | 74.80            | 93.44         | -91.09                | 3,945.90                            | -1,249.31    | 1,259.09               | 1,092.41                | 166.68                    | 7.554             |         |                              |  |
| 14,100.00                                               | 10,300.00             | 14,838.22             | 10,300.00             | 76.54            | 91.77         | -91.09                | 4,045.90                            | -1,249.31    | 1,259.33               | 1,092.52                | 166.82                    | 7.549             |         |                              |  |
| 14,200.00                                               | 10,300.00             | 14,738.22             | 10,300.00             | 78.28            | 90.11         | -91.09                | 4,145.90                            | -1,249.31    | 1,259.58               | 1,092.62                | 166.95                    | 7.544             |         |                              |  |
| 14,300.00                                               | 10,300.00             | 14,638.22             | 10,300.00             | 80.02            | 88.45         | -91.09                | 4,245.90                            | -1,249.31    | 1,259.82               | 1,092.72                | 167.10                    | 7.539             |         |                              |  |
| 14,400.00                                               | 10,300.00             | 14,538.22             | 10,300.00             | 81.76            | 86.80         | -91.09                | 4,345.90                            | -1,249.31    | 1,260.06               | 1,092.81                | 167.25                    | 7.534             |         |                              |  |
| 14,500.00                                               | 10,300.00             | 14,438.22             | 10,300.00             | 83.51            | 85.16         | -91.09                | 4,445.90                            | -1,249.31    | 1,260.30               | 1,092.89                | 167.41                    | 7.528             |         |                              |  |
| 14,600.00                                               | 10,300.00             | 14,338.22             | 10,300.00             | 85.27            | 83.52         | -91.09                | 4,545.90                            | -1,249.31    | 1,260.54               | 1,092.96                | 167.58                    | 7.522             |         |                              |  |
| 14,700.00                                               | 10,300.00             | 14,238.22             | 10,300.00             | 87.02            | 81.89         | -91.09                | 4,645.90                            | -1,249.31    | 1,260.79               | 1,093.03                | 167.76                    | 7.516             |         |                              |  |
| 14,800.00                                               | 10,300.00             | 14,138.22             | 10,300.00             | 88.78            | 80.27         | -91.09                | 4,745.90                            | -1,249.31    | 1,261.03               | 1,093.09                | 167.94                    | 7.509             |         |                              |  |
| 14,900.00                                               | 10,300.00             | 14,038.22             | 10,300.00             | 90.54            | 78.65         | -91.09                | 4,845.90                            | -1,249.31    | 1,261.27               | 1,093.14                | 168.13                    | 7.502             |         |                              |  |
| 15,000.00                                               | 10,300.00             | 13,938.22             | 10,300.00             | 92.30            | 77.05         | -91.09                | 4,945.90                            | -1,249.31    | 1,261.51               | 1,093.19                | 168.33                    | 7.494             |         |                              |  |
| 15,100.00                                               | 10,300.00             | 13,838.22             | 10,300.00             | 94.07            | 75.46         | -91.09                | 5,045.90                            | -1,249.31    | 1,261.76               | 1,093.22                | 168.54                    | 7.487             |         |                              |  |
| 15,200.00                                               | 10,300.00             | 13,738.22             | 10,300.00             | 95.83            | 73.87         | -91.09                | 5,145.90                            | -1,249.31    | 1,262.00               | 1,093.25                | 168.75                    | 7.478             |         |                              |  |
| 15,300.00                                               | 10,300.00             | 13,638.22             | 10,300.00             | 97.60            | 72.30         | -91.09                | 5,245.90                            | -1,249.31    | 1,262.24               | 1,093.27                | 168.98                    | 7.470             |         |                              |  |
| 15,400.00                                               | 10,300.00             | 13,538.22             | 10,300.00             | 99.37            | 70.74         | -91.09                | 5,345.90                            | -1,249.31    | 1,262.48               | 1,093.27                | 169.21                    | 7.461             |         |                              |  |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

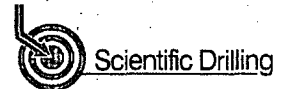
## Anticollision Report



|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at:        | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design Bell Lake Unit North - #2H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           |                   | Offset Site Error: | 0.00 usft |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|--------------|------------------------|-------------------------|---------------------------|-------------------|--------------------|-----------|
| Survey Program: O-SDI MWD                               |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           |                   | Offset Well Error: | 0.00 usft |
| Reference                                               |                       | Offset                |                       | Semi Major Axis  |               |                       | Distance                            |              |                        |                         |                           |                   | Warning            |           |
| Measured Depth (usft)                                   | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor |                    |           |
| 15,500.00                                               | 10,300.00             | 13,438.22             | 10,300.00             | 101.15           | 69.19         | -91.09                | 5,445.90                            | -1,249.31    | 1,262.73               | 1,093.27                | 169.45                    | 7.452             |                    |           |
| 15,600.00                                               | 10,300.00             | 13,338.22             | 10,300.00             | 102.92           | 67.66         | -91.09                | 5,545.90                            | -1,249.31    | 1,262.97               | 1,093.26                | 169.71                    | 7.442             |                    |           |
| 15,700.00                                               | 10,300.00             | 13,238.22             | 10,300.00             | 104.70           | 66.13         | -91.09                | 5,645.90                            | -1,249.31    | 1,263.21               | 1,093.24                | 169.97                    | 7.432             |                    |           |
| 15,800.00                                               | 10,300.00             | 13,138.22             | 10,300.00             | 106.47           | 64.63         | -91.09                | 5,745.90                            | -1,249.31    | 1,263.45               | 1,093.20                | 170.25                    | 7.421             |                    |           |
| 15,900.00                                               | 10,300.00             | 13,038.22             | 10,300.00             | 108.25           | 63.14         | -91.09                | 5,845.90                            | -1,249.31    | 1,263.69               | 1,093.16                | 170.54                    | 7.410             |                    |           |
| 16,000.00                                               | 10,300.00             | 12,938.22             | 10,300.00             | 110.03           | 61.67         | -91.09                | 5,945.90                            | -1,249.31    | 1,263.94               | 1,093.10                | 170.84                    | 7.398             |                    |           |
| 16,100.00                                               | 10,300.00             | 12,838.22             | 10,300.00             | 111.81           | 60.21         | -91.09                | 6,045.90                            | -1,249.31    | 1,264.18               | 1,093.02                | 171.16                    | 7.386             |                    |           |
| 16,200.00                                               | 10,300.00             | 12,738.22             | 10,300.00             | 113.60           | 58.78         | -91.09                | 6,145.90                            | -1,249.31    | 1,264.42               | 1,092.93                | 171.49                    | 7.373             |                    |           |
| 16,300.00                                               | 10,300.00             | 12,638.22             | 10,300.00             | 115.38           | 57.36         | -91.09                | 6,245.90                            | -1,249.31    | 1,264.66               | 1,092.83                | 171.84                    | 7.360             |                    |           |
| 16,400.00                                               | 10,300.00             | 12,538.22             | 10,300.00             | 117.17           | 55.97         | -91.09                | 6,345.90                            | -1,249.31    | 1,264.91               | 1,092.70                | 172.21                    | 7.345             |                    |           |
| 16,500.00                                               | 10,300.00             | 12,438.22             | 10,300.00             | 118.95           | 54.60         | -91.09                | 6,445.90                            | -1,249.31    | 1,265.15               | 1,092.56                | 172.59                    | 7.330             |                    |           |
| 16,600.00                                               | 10,300.00             | 12,338.22             | 10,300.00             | 120.74           | 53.26         | -91.09                | 6,545.90                            | -1,249.31    | 1,265.39               | 1,092.39                | 173.00                    | 7.314             |                    |           |
| 16,700.00                                               | 10,300.00             | 12,238.22             | 10,300.00             | 122.53           | 51.95         | -91.09                | 6,645.90                            | -1,249.31    | 1,265.63               | 1,092.20                | 173.43                    | 7.297             |                    |           |
| 16,800.00                                               | 10,300.00             | 12,138.22             | 10,300.00             | 124.32           | 50.66         | -91.09                | 6,745.90                            | -1,249.31    | 1,265.88               | 1,091.98                | 173.89                    | 7.280             |                    |           |
| 16,900.00                                               | 10,300.00             | 12,038.22             | 10,300.00             | 126.11           | 49.41         | -91.09                | 6,845.89                            | -1,249.31    | 1,266.12               | 1,091.74                | 174.38                    | 7.261             |                    |           |
| 17,000.00                                               | 10,300.00             | 11,938.22             | 10,300.00             | 127.90           | 48.19         | -91.09                | 6,945.89                            | -1,249.31    | 1,266.36               | 1,091.46                | 174.90                    | 7.241             |                    |           |
| 17,100.00                                               | 10,300.00             | 11,799.84             | 10,300.00             | 129.69           | 46.59         | -91.09                | 7,084.27                            | -1,248.00    | 1,265.87               | 1,090.93                | 174.94                    | 7.236             |                    |           |
| 17,200.00                                               | 10,300.00             | 11,621.30             | 10,300.00             | 131.48           | 44.59         | -91.10                | 7,262.44                            | -1,237.03    | 1,259.96               | 1,085.47                | 174.50                    | 7.221             |                    |           |
| 17,300.00                                               | 10,300.00             | 11,444.76             | 10,300.00             | 133.28           | 42.62         | -91.11                | 7,437.61                            | -1,215.29    | 1,247.89               | 1,073.75                | 174.13                    | 7.166             |                    |           |
| 17,400.00                                               | 10,300.00             | 11,271.48             | 10,300.00             | 135.07           | 40.72         | -91.14                | 7,607.92                            | -1,183.51    | 1,229.77               | 1,055.88                | 173.90                    | 7.072             |                    |           |
| 17,500.00                                               | 10,300.00             | 11,102.60             | 10,300.00             | 136.87           | 38.91         | -91.18                | 7,771.76                            | -1,142.68    | 1,205.82               | 1,032.00                | 173.82                    | 6.937             |                    |           |
| 17,600.00                                               | 10,300.00             | 10,939.08             | 10,300.00             | 138.66           | 37.21         | -91.23                | 7,927.86                            | -1,094.01    | 1,176.28               | 1,002.33                | 173.95                    | 6.762             |                    |           |
| 17,700.00                                               | 10,300.00             | 10,781.67             | 10,300.00             | 140.46           | 35.62         | -91.30                | 8,075.25                            | -1,038.82    | 1,141.44               | 967.16                  | 174.28                    | 6.549             |                    |           |
| 17,800.00                                               | 10,300.00             | 10,655.61             | 10,298.30             | 142.25           | 34.26         | -91.27                | 8,191.06                            | -989.17      | 1,102.08               | 927.13                  | 174.95                    | 6.299             |                    |           |
| 17,900.00                                               | 10,300.00             | 10,562.57             | 10,283.66             | 144.05           | 33.27         | -90.45                | 8,275.08                            | -952.22      | 1,061.84               | 885.81                  | 176.03                    | 6.032             |                    |           |
| 18,000.00                                               | 10,300.00             | 10,476.30             | 10,256.99             | 145.85           | 32.42         | -88.84                | 8,350.10                            | -919.22      | 1,021.99               | 844.77                  | 177.21                    | 5.767             |                    |           |
| 18,100.00                                               | 10,300.00             | 10,400.00             | 10,223.38             | 147.65           | 31.73         | -86.70                | 8,412.74                            | -891.67      | 983.64                 | 805.28                  | 178.36                    | 5.515             |                    |           |
| 18,200.00                                               | 10,300.00             | 10,332.92             | 10,166.55             | 149.45           | 31.18         | -84.26                | 8,464.03                            | -869.12      | 948.29                 | 768.94                  | 179.34                    | 5.288             |                    |           |
| 18,231.11                                               | 10,300.00             | 10,314.25             | 10,175.16             | 149.91           | 31.04         | -83.49                | 8,477.56                            | -863.16      | 938.15                 | 758.64                  | 179.51                    | 5.226 CC, ES, SF  |                    |           |

## Anticollision Report



|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design: Bell Lake Unit North - #3H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           | Offset Site Error: | 0.00 usft |
|----------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------------------------------|-------------|------------------------|-------------------------|---------------------------|--------------------|-----------|
| Survey Program: 0-SDJ MWD                                |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           | Offset Well Error: | 0.00 usft |
| Reference                                                | Offset                | Semi Major Axis       |                       | Distance         |               | Warning               |                                    |             |                        |                         |                           |                    |           |
| Measured Depth (usft)                                    | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N-S (usft) | +E-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor  |           |
| 0.00                                                     | 0.00                  | 0.00                  | 0.00                  | 0.00             | 0.00          | 1.88                  | 8,859.10                           | 290.50      | 8,863.89               |                         |                           |                    |           |
| 100.00                                                   | 100.00                | 76.00                 | 76.00                 | 0.09             | 0.07          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,863.71                | 0.15                      | N/A                |           |
| 200.00                                                   | 200.00                | 176.00                | 176.00                | 0.31             | 0.26          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,863.29                | 0.57                      | N/A                |           |
| 300.00                                                   | 300.00                | 276.00                | 276.00                | 0.54             | 0.48          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,862.84                | 1.02                      | 8,705.506          |           |
| 400.00                                                   | 400.00                | 376.00                | 376.00                | 0.76             | 0.71          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,862.39                | 1.47                      | 6,039.195          |           |
| 500.00                                                   | 500.00                | 476.00                | 476.00                | 0.99             | 0.93          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,861.94                | 1.92                      | 4,623.206          |           |
| 600.00                                                   | 600.00                | 576.00                | 576.00                | 1.21             | 1.16          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,861.50                | 2.37                      | 3,745.104          |           |
| 700.00                                                   | 700.00                | 676.00                | 676.00                | 1.44             | 1.38          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,861.05                | 2.82                      | 3,147.322          |           |
| 800.00                                                   | 800.00                | 776.00                | 776.00                | 1.66             | 1.61          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,860.60                | 3.27                      | 2,714.105          |           |
| 900.00                                                   | 900.00                | 876.00                | 876.00                | 1.88             | 1.83          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,860.15                | 3.72                      | 2,385.720          |           |
| 1,000.00                                                 | 1,000.00              | 976.00                | 976.00                | 2.11             | 2.06          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,859.70                | 4.16                      | 2,128.222          |           |
| 1,100.00                                                 | 1,100.00              | 1,076.00              | 1,076.00              | 2.33             | 2.28          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,859.25                | 4.61                      | 1,920.894          |           |
| 1,200.00                                                 | 1,200.00              | 1,176.00              | 1,176.00              | 2.56             | 2.51          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,858.80                | 5.06                      | 1,750.375          |           |
| 1,300.00                                                 | 1,300.00              | 1,276.00              | 1,276.00              | 2.78             | 2.73          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,858.35                | 5.51                      | 1,607.662          |           |
| 1,400.00                                                 | 1,400.00              | 1,376.00              | 1,376.00              | 3.01             | 2.95          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,857.90                | 5.96                      | 1,486.466          |           |
| 1,500.00                                                 | 1,500.00              | 1,476.00              | 1,476.00              | 3.23             | 3.18          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,857.45                | 6.41                      | 1,382.262          |           |
| 1,600.00                                                 | 1,600.00              | 1,576.00              | 1,576.00              | 3.46             | 3.40          | 1.88                  | 8,859.10                           | 290.50      | 8,863.86               | 8,857.00                | 6.86                      | 1,291.711          |           |
| 1,700.00                                                 | 1,700.00              | 17,944.70             | 10,300.00             | 3.68             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,781.26               | 8,641.29                | 139.97                    | 62.737             |           |
| 1,800.00                                                 | 1,800.00              | 17,944.70             | 10,300.00             | 3.91             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,683.07               | 8,542.88                | 140.19                    | 61.936             |           |
| 1,900.00                                                 | 1,900.00              | 17,944.70             | 10,300.00             | 4.13             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,584.92               | 8,444.51                | 140.42                    | 61.138             |           |
| 2,000.00                                                 | 2,000.00              | 17,944.70             | 10,300.00             | 4.36             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,486.82               | 8,346.18                | 140.64                    | 60.343             |           |
| 2,100.00                                                 | 2,100.00              | 17,944.70             | 10,300.00             | 4.58             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,388.76               | 8,247.89                | 140.87                    | 59.551             |           |
| 2,200.00                                                 | 2,200.00              | 17,944.70             | 10,300.00             | 4.81             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,290.75               | 8,149.66                | 141.09                    | 58.761             |           |
| 2,300.00                                                 | 2,300.00              | 17,944.70             | 10,300.00             | 5.03             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,192.79               | 8,051.47                | 141.32                    | 57.974             |           |
| 2,400.00                                                 | 2,400.00              | 17,944.70             | 10,300.00             | 5.26             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 8,094.87               | 7,953.33                | 141.54                    | 57.191             |           |
| 2,500.00                                                 | 2,500.00              | 17,944.70             | 10,300.00             | 5.48             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,997.01               | 7,855.24                | 141.77                    | 56.410             |           |
| 2,600.00                                                 | 2,600.00              | 17,944.70             | 10,300.00             | 5.71             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,899.20               | 7,757.21                | 141.99                    | 55.632             |           |
| 2,700.00                                                 | 2,700.00              | 17,944.70             | 10,300.00             | 5.93             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,801.44               | 7,659.23                | 142.22                    | 54.856             |           |
| 2,800.00                                                 | 2,800.00              | 17,944.70             | 10,300.00             | 6.16             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,703.75               | 7,561.31                | 142.44                    | 54.084             |           |
| 2,900.00                                                 | 2,900.00              | 17,944.70             | 10,300.00             | 6.38             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,606.11               | 7,463.45                | 142.67                    | 53.314             |           |
| 3,000.00                                                 | 3,000.00              | 17,944.70             | 10,300.00             | 6.60             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,508.54               | 7,365.65                | 142.89                    | 52.547             |           |
| 3,100.00                                                 | 3,100.00              | 17,944.70             | 10,300.00             | 6.83             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,411.03               | 7,267.91                | 143.12                    | 51.784             |           |
| 3,200.00                                                 | 3,200.00              | 17,944.70             | 10,300.00             | 7.05             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,313.59               | 7,170.25                | 143.34                    | 51.023             |           |
| 3,300.00                                                 | 3,300.00              | 17,944.70             | 10,300.00             | 7.28             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,216.21               | 7,072.65                | 143.56                    | 50.264             |           |
| 3,400.00                                                 | 3,400.00              | 17,944.70             | 10,300.00             | 7.50             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,118.91               | 6,975.12                | 143.79                    | 49.509             |           |
| 3,500.00                                                 | 3,500.00              | 17,944.70             | 10,300.00             | 7.73             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 7,021.69               | 6,877.68                | 144.01                    | 48.757             |           |
| 3,600.00                                                 | 3,600.00              | 17,944.70             | 10,300.00             | 7.95             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,924.55               | 6,780.31                | 144.24                    | 48.007             |           |
| 3,700.00                                                 | 3,700.00              | 17,944.70             | 10,300.00             | 8.18             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,827.48               | 6,683.02                | 144.46                    | 47.261             |           |
| 3,800.00                                                 | 3,800.00              | 17,944.70             | 10,300.00             | 8.40             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,730.51               | 6,585.82                | 144.69                    | 46.517             |           |
| 3,900.00                                                 | 3,900.00              | 17,944.70             | 10,300.00             | 8.63             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,633.62               | 6,488.71                | 144.91                    | 45.776             |           |
| 4,000.00                                                 | 4,000.00              | 17,944.70             | 10,300.00             | 8.85             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,536.83               | 6,391.69                | 145.14                    | 45.039             |           |
| 4,100.00                                                 | 4,100.00              | 17,944.70             | 10,300.00             | 9.08             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,440.13               | 6,294.77                | 145.36                    | 44.304             |           |
| 4,200.00                                                 | 4,200.00              | 17,944.70             | 10,300.00             | 9.30             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,343.54               | 6,197.95                | 145.59                    | 43.572             |           |
| 4,300.00                                                 | 4,300.00              | 17,944.70             | 10,300.00             | 9.53             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,247.08               | 6,101.24                | 145.81                    | 42.843             |           |
| 4,400.00                                                 | 4,400.00              | 17,944.70             | 10,300.00             | 9.75             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,150.68               | 6,004.65                | 146.04                    | 42.117             |           |
| 4,500.00                                                 | 4,500.00              | 17,944.70             | 10,300.00             | 9.98             | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 6,054.43               | 5,908.17                | 146.26                    | 41.394             |           |
| 4,600.00                                                 | 4,600.00              | 17,944.70             | 10,300.00             | 10.20            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,958.30               | 5,811.81                | 146.49                    | 40.675             |           |
| 4,700.00                                                 | 4,700.00              | 17,944.70             | 10,300.00             | 10.43            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,862.30               | 5,715.59                | 146.71                    | 39.958             |           |
| 4,800.00                                                 | 4,800.00              | 17,944.70             | 10,300.00             | 10.65            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,766.43               | 5,619.49                | 146.94                    | 39.244             |           |
| 4,900.00                                                 | 4,900.00              | 17,944.70             | 10,300.00             | 10.88            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,670.71               | 5,523.55                | 147.16                    | 38.534             |           |
| 5,000.00                                                 | 5,000.00              | 17,944.70             | 10,300.00             | 11.10            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,575.13               | 5,427.75                | 147.39                    | 37.827             |           |
| 5,100.00                                                 | 5,100.00              | 17,944.70             | 10,300.00             | 11.32            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,479.72               | 5,332.11                | 147.61                    | 37.123             |           |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

## Anticollision Report



|                            |                              |                                     |                                   |
|----------------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>            | Kaiser - Francis Oil Company | <b>Local Co-ordinate Reference:</b> | Well #262H                        |
| <b>Project:</b>            | Lea Co, NM (Nad 27 NME)      | <b>TVD Reference:</b>               | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Reference Site:</b>     | Bell Lake Unit North         | <b>MD Reference:</b>                | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Site Error:</b>         | 0.00 usft                    | <b>North Reference:</b>             | Grid                              |
| <b>Reference Well:</b>     | #262H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Well Error:</b>         | 0.00 usft                    | <b>Output errors are at:</b>        | 2.00 sigma                        |
| <b>Reference Wellbore:</b> | OH                           | <b>Database:</b>                    | Midland District                  |
| <b>Reference Design:</b>   | Plan #1                      | <b>Offset TVD Reference:</b>        | Offset Datum                      |

| Offset Design Bell Lake Unit North - #3H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           |                   | Offset Site Error: 0.00 usft |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------------------------------|-------------|------------------------|-------------------------|---------------------------|-------------------|------------------------------|
| Survey Program: 0-SD-MWD                                |                       |                       |                       |                  |               |                       |                                    |             |                        |                         |                           |                   | Offset Well Error: 0.00 usft |
| Reference                                               | Offset                | Semi Major Axis       |                       | Distance         |               | Warning               |                                    |             |                        |                         |                           |                   |                              |
| Measured Depth (usft)                                   | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/S (usft) | +E/W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor |                              |
| 5,200.00                                                | 5,200.00              | 17,944.70             | 10,300.00             | 11.55            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,384.47               | 5,236.64                | 147.84                    | 36.422            |                              |
| 5,300.00                                                | 5,300.00              | 17,944.70             | 10,300.00             | 11.77            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,289.40               | 5,141.34                | 148.06                    | 35.725            |                              |
| 5,400.00                                                | 5,400.00              | 17,944.70             | 10,300.00             | 12.00            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,194.51               | 5,046.22                | 148.28                    | 35.031            |                              |
| 5,500.00                                                | 5,500.00              | 17,944.70             | 10,300.00             | 12.22            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,099.82               | 4,951.31                | 148.51                    | 34.340            |                              |
| 5,600.00                                                | 5,600.00              | 17,944.70             | 10,300.00             | 12.45            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 5,005.33               | 4,856.60                | 148.73                    | 33.653            |                              |
| 5,700.00                                                | 5,700.00              | 17,944.70             | 10,300.00             | 12.67            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,911.06               | 4,762.10                | 148.96                    | 32.969            |                              |
| 5,800.00                                                | 5,800.00              | 17,944.70             | 10,300.00             | 12.90            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,817.02               | 4,667.84                | 149.18                    | 32.289            |                              |
| 5,900.00                                                | 5,900.00              | 17,944.70             | 10,300.00             | 13.12            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,723.23               | 4,573.82                | 149.41                    | 31.613            |                              |
| 6,000.00                                                | 6,000.00              | 17,944.70             | 10,300.00             | 13.35            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,629.70               | 4,480.07                | 149.63                    | 30.940            |                              |
| 6,100.00                                                | 6,100.00              | 17,944.70             | 10,300.00             | 13.57            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,536.44               | 4,386.59                | 149.86                    | 30.272            |                              |
| 6,200.00                                                | 6,200.00              | 17,944.70             | 10,300.00             | 13.80            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,443.48               | 4,293.40                | 150.08                    | 29.607            |                              |
| 6,300.00                                                | 6,300.00              | 17,944.70             | 10,300.00             | 14.02            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,350.83               | 4,200.52                | 150.31                    | 28.946            |                              |
| 6,400.00                                                | 6,400.00              | 17,944.70             | 10,300.00             | 14.25            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,258.51               | 4,107.98                | 150.53                    | 28.290            |                              |
| 6,500.00                                                | 6,500.00              | 17,944.70             | 10,300.00             | 14.47            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,166.55               | 4,015.79                | 150.76                    | 27.637            |                              |
| 6,600.00                                                | 6,600.00              | 17,944.70             | 10,300.00             | 14.70            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 4,074.96               | 3,923.98                | 150.98                    | 26.990            |                              |
| 6,700.00                                                | 6,700.00              | 17,944.70             | 10,300.00             | 14.92            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,983.78               | 3,832.58                | 151.21                    | 26.347            |                              |
| 6,800.00                                                | 6,800.00              | 17,944.70             | 10,300.00             | 15.15            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,893.04               | 3,741.60                | 151.43                    | 25.708            |                              |
| 6,900.00                                                | 6,900.00              | 17,944.70             | 10,300.00             | 15.37            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,802.75               | 3,651.10                | 151.66                    | 25.075            |                              |
| 7,000.00                                                | 7,000.00              | 17,944.70             | 10,300.00             | 15.60            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,712.97               | 3,561.09                | 151.88                    | 24.447            |                              |
| 7,100.00                                                | 7,100.00              | 17,944.70             | 10,300.00             | 15.82            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,623.72               | 3,471.61                | 152.11                    | 23.824            |                              |
| 7,200.00                                                | 7,200.00              | 17,944.70             | 10,300.00             | 16.04            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,535.04               | 3,382.71                | 152.33                    | 23.206            |                              |
| 7,300.00                                                | 7,300.00              | 17,944.70             | 10,300.00             | 16.27            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,446.99               | 3,294.43                | 152.56                    | 22.595            |                              |
| 7,400.00                                                | 7,400.00              | 17,944.70             | 10,300.00             | 16.49            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,359.60               | 3,206.82                | 152.78                    | 21.990            |                              |
| 7,500.00                                                | 7,500.00              | 17,944.70             | 10,300.00             | 16.72            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,272.94               | 3,119.93                | 153.00                    | 21.391            |                              |
| 7,600.00                                                | 7,600.00              | 17,944.70             | 10,300.00             | 16.94            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,187.06               | 3,033.83                | 153.23                    | 20.799            |                              |
| 7,700.00                                                | 7,700.00              | 17,944.70             | 10,300.00             | 17.17            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,102.02               | 2,948.56                | 153.45                    | 20.215            |                              |
| 7,800.00                                                | 7,800.00              | 17,944.70             | 10,300.00             | 17.39            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 3,017.90               | 2,864.22                | 153.68                    | 19.638            |                              |
| 7,900.00                                                | 7,900.00              | 17,944.70             | 10,300.00             | 17.62            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,934.78               | 2,780.87                | 153.90                    | 19.069            |                              |
| 8,000.00                                                | 8,000.00              | 17,944.70             | 10,300.00             | 17.84            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,852.74               | 2,698.61                | 154.13                    | 18.509            |                              |
| 8,100.00                                                | 8,100.00              | 17,944.70             | 10,300.00             | 18.07            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,771.88               | 2,617.53                | 154.35                    | 17.958            |                              |
| 8,200.00                                                | 8,200.00              | 17,944.70             | 10,300.00             | 18.29            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,692.31               | 2,537.73                | 154.58                    | 17.417            |                              |
| 8,300.00                                                | 8,300.00              | 17,944.70             | 10,300.00             | 18.52            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,614.14               | 2,459.34                | 154.80                    | 16.887            |                              |
| 8,400.00                                                | 8,400.00              | 17,944.70             | 10,300.00             | 18.74            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,537.50               | 2,382.48                | 155.03                    | 16.368            |                              |
| 8,500.00                                                | 8,500.00              | 17,944.70             | 10,300.00             | 18.97            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,462.54               | 2,307.29                | 155.25                    | 15.862            |                              |
| 8,600.00                                                | 8,600.00              | 17,944.70             | 10,300.00             | 19.19            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,389.42               | 2,233.94                | 155.48                    | 15.368            |                              |
| 8,700.00                                                | 8,700.00              | 17,944.70             | 10,300.00             | 19.42            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,318.30               | 2,162.60                | 155.70                    | 14.889            |                              |
| 8,800.00                                                | 8,800.00              | 17,944.70             | 10,300.00             | 19.64            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,249.38               | 2,093.46                | 155.93                    | 14.426            |                              |
| 8,900.00                                                | 8,900.00              | 17,944.70             | 10,300.00             | 19.87            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,182.87               | 2,026.72                | 156.15                    | 13.979            |                              |
| 9,000.00                                                | 9,000.00              | 17,944.70             | 10,300.00             | 20.09            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,118.99               | 1,962.61                | 156.38                    | 13.551            |                              |
| 9,100.00                                                | 9,100.00              | 17,944.70             | 10,300.00             | 20.32            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,057.99               | 1,901.39                | 156.60                    | 13.142            |                              |
| 9,200.00                                                | 9,200.00              | 17,944.70             | 10,300.00             | 20.54            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 2,000.13               | 1,843.31                | 156.83                    | 12.754            |                              |
| 9,300.00                                                | 9,300.00              | 17,944.70             | 10,300.00             | 20.77            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 1,945.69               | 1,788.64                | 157.05                    | 12.389            |                              |
| 9,400.00                                                | 9,400.00              | 17,944.70             | 10,300.00             | 20.99            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 1,894.97               | 1,737.70                | 157.28                    | 12.049            |                              |
| 9,500.00                                                | 9,500.00              | 17,944.70             | 10,300.00             | 21.21            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 1,848.28               | 1,690.78                | 157.50                    | 11.735            |                              |
| 9,600.00                                                | 9,600.00              | 17,944.70             | 10,300.00             | 21.44            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 1,805.91               | 1,648.19                | 157.73                    | 11.450            |                              |
| 9,700.00                                                | 9,700.00              | 17,944.70             | 10,300.00             | 21.66            | 147.10        | 55.91                 | 927.20                             | 1,370.20    | 1,768.20               | 1,610.25                | 157.95                    | 11.195            |                              |
| 9,800.00                                                | 9,799.80              | 17,944.70             | 10,300.00             | 21.89            | 147.10        | 58.09                 | 927.20                             | 1,370.20    | 1,733.01               | 1,571.98                | 161.03                    | 10.762            |                              |
| 9,900.00                                                | 9,897.39              | 17,944.70             | 10,300.00             | 22.10            | 147.10        | 61.69                 | 927.20                             | 1,370.20    | 1,694.58               | 1,529.85                | 164.73                    | 10.287            |                              |
| 10,000.00                                               | 9,889.79              | 17,944.70             | 10,300.00             | 22.31            | 147.10        | 65.72                 | 927.20                             | 1,370.20    | 1,653.54               | 1,485.53                | 168.01                    | 9.842             |                              |
| 10,100.00                                               | 10,074.21             | 17,944.70             | 10,300.00             | 22.54            | 147.10        | 70.08                 | 927.20                             | 1,370.20    | 1,610.97               | 1,440.28                | 170.69                    | 9.438             |                              |
| 10,200.00                                               | 10,148.09             | 17,944.70             | 10,300.00             | 22.82            | 147.10        | 74.60                 | 927.20                             | 1,370.20    | 1,568.11               | 1,395.42                | 172.69                    | 9.080             |                              |
| 10,300.00                                               | 10,209.17             | 17,944.70             | 10,300.00             | 23.17            | 147.10        | 79.08                 | 927.20                             | 1,370.20    | 1,526.28               | 1,352.26                | 174.02                    | 8.771             |                              |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

## Anticollision Report

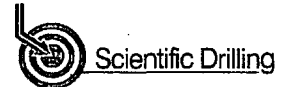


|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at:        | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design: Bell Lake Unit North - #3H - OH - Plan #1 |                       |                       |                       |                  |               |                       |                                   |                                   |                        |                         |                           |                   | Offset Site Error: |
|----------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-----------------------------------|-----------------------------------|------------------------|-------------------------|---------------------------|-------------------|--------------------|
| Survey Program: 0-SDI-MWD                                |                       |                       |                       |                  |               |                       |                                   |                                   |                        |                         |                           |                   | 0.00 usft          |
| Reference                                                |                       | Offset                |                       | Semi Major Axis  |               | Distance              |                                   | Minimum                           |                        | Separation              |                           | Warning           |                    |
| Measured Depth (usft)                                    | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre N-S (usft) | Offset Wellbore Centre E-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor |                    |
| 10,400.00                                                | 10,255.60             | 17,944.70             | 10,300.00             | 23.61            | 147.10        | 83.32                 | 927.20                            | 1,370.20                          | 1,486.90               | 1,312.08                | 174.81                    | 8.506             |                    |
| 10,500.00                                                | 10,285.97             | 17,944.70             | 10,300.00             | 24.15            | 147.10        | 87.10                 | 927.20                            | 1,370.20                          | 1,451.40               | 1,276.13                | 175.27                    | 8.281             |                    |
| 10,600.00                                                | 10,299.36             | 17,944.70             | 10,300.00             | 24.80            | 147.10        | 90.27                 | 927.20                            | 1,370.20                          | 1,421.20               | 1,245.57                | 175.63                    | 8.092             |                    |
| 10,700.00                                                | 10,300.00             | 17,944.70             | 10,300.00             | 25.53            | 147.10        | 91.01                 | 927.20                            | 1,370.20                          | 1,397.45               | 1,221.21                | 176.24                    | 7.929             |                    |
| 10,800.00                                                | 10,300.00             | 17,944.70             | 10,300.00             | 26.37            | 147.10        | 91.01                 | 927.20                            | 1,370.20                          | 1,380.56               | 1,203.55                | 177.01                    | 7.799             |                    |
| 10,900.00                                                | 10,300.00             | 17,944.70             | 10,300.00             | 27.31            | 147.10        | 91.01                 | 927.20                            | 1,370.20                          | 1,370.77               | 1,192.89                | 177.88                    | 7.706             |                    |
| 11,000.00                                                | 10,300.00             | 17,925.97             | 10,300.00             | 28.33            | 146.77        | 91.01                 | 945.92                            | 1,370.20                          | 1,368.12               | 1,189.63                | 178.49                    | 7.665             |                    |
| 11,100.00                                                | 10,300.00             | 17,825.97             | 10,300.00             | 29.43            | 144.98        | 91.01                 | 1,045.92                          | 1,370.20                          | 1,367.88               | 1,190.22                | 177.65                    | 7.700             |                    |
| 11,200.00                                                | 10,300.00             | 17,725.97             | 10,300.00             | 30.60            | 143.20        | 91.01                 | 1,145.92                          | 1,370.20                          | 1,367.63               | 1,190.74                | 176.89                    | 7.731             |                    |
| 11,300.00                                                | 10,300.00             | 17,625.97             | 10,300.00             | 31.83            | 141.42        | 91.01                 | 1,245.92                          | 1,370.20                          | 1,367.39               | 1,191.20                | 176.19                    | 7.761             |                    |
| 11,400.00                                                | 10,300.00             | 17,525.97             | 10,300.00             | 33.12            | 139.64        | 91.01                 | 1,345.92                          | 1,370.20                          | 1,367.15               | 1,191.60                | 175.55                    | 7.788             |                    |
| 11,500.00                                                | 10,300.00             | 17,425.97             | 10,300.00             | 34.45            | 137.86        | 91.01                 | 1,445.92                          | 1,370.20                          | 1,366.91               | 1,191.95                | 174.95                    | 7.813             |                    |
| 11,600.00                                                | 10,300.00             | 17,325.97             | 10,300.00             | 35.83            | 136.09        | 91.01                 | 1,545.92                          | 1,370.20                          | 1,366.66               | 1,192.26                | 174.40                    | 7.836             |                    |
| 11,700.00                                                | 10,300.00             | 17,225.97             | 10,300.00             | 37.24            | 134.31        | 91.01                 | 1,645.92                          | 1,370.19                          | 1,366.42               | 1,192.53                | 173.89                    | 7.858             |                    |
| 11,800.00                                                | 10,300.00             | 17,125.97             | 10,300.00             | 38.69            | 132.53        | 91.01                 | 1,745.92                          | 1,370.19                          | 1,366.18               | 1,192.77                | 173.41                    | 7.878             |                    |
| 11,900.00                                                | 10,300.00             | 17,025.97             | 10,300.00             | 40.17            | 130.76        | 91.01                 | 1,845.92                          | 1,370.19                          | 1,365.93               | 1,192.97                | 172.97                    | 7.897             |                    |
| 12,000.00                                                | 10,300.00             | 16,925.97             | 10,300.00             | 41.68            | 128.99        | 91.01                 | 1,945.92                          | 1,370.19                          | 1,365.69               | 1,193.15                | 172.55                    | 7.915             |                    |
| 12,100.00                                                | 10,300.00             | 16,825.97             | 10,300.00             | 43.21            | 127.22        | 91.01                 | 2,045.92                          | 1,370.19                          | 1,365.45               | 1,193.30                | 172.15                    | 7.932             |                    |
| 12,200.00                                                | 10,300.00             | 16,725.97             | 10,300.00             | 44.76            | 125.45        | 91.01                 | 2,145.92                          | 1,370.19                          | 1,365.21               | 1,193.42                | 171.78                    | 7.947             |                    |
| 12,300.00                                                | 10,300.00             | 16,625.97             | 10,300.00             | 46.33            | 123.68        | 91.01                 | 2,245.92                          | 1,370.19                          | 1,364.96               | 1,193.53                | 171.43                    | 7.962             |                    |
| 12,400.00                                                | 10,300.00             | 16,525.97             | 10,300.00             | 47.92            | 121.91        | 91.01                 | 2,345.92                          | 1,370.19                          | 1,364.72               | 1,193.62                | 171.10                    | 7.976             |                    |
| 12,500.00                                                | 10,300.00             | 16,425.98             | 10,300.00             | 49.53            | 120.15        | 91.01                 | 2,445.92                          | 1,370.19                          | 1,364.48               | 1,193.69                | 170.79                    | 7.989             |                    |
| 12,600.00                                                | 10,300.00             | 16,325.98             | 10,300.00             | 51.15            | 118.38        | 91.01                 | 2,545.92                          | 1,370.19                          | 1,364.23               | 1,193.75                | 170.49                    | 8.002             |                    |
| 12,700.00                                                | 10,300.00             | 16,225.98             | 10,300.00             | 52.78            | 116.62        | 91.01                 | 2,645.92                          | 1,370.19                          | 1,363.99               | 1,193.79                | 170.20                    | 8.014             |                    |
| 12,800.00                                                | 10,300.00             | 16,125.98             | 10,300.00             | 54.42            | 114.86        | 91.01                 | 2,745.92                          | 1,370.19                          | 1,363.75               | 1,193.82                | 169.93                    | 8.025             |                    |
| 12,900.00                                                | 10,300.00             | 16,025.98             | 10,300.00             | 56.08            | 113.10        | 91.01                 | 2,845.92                          | 1,370.19                          | 1,363.51               | 1,193.84                | 169.67                    | 8.036             |                    |
| 13,000.00                                                | 10,300.00             | 15,925.98             | 10,300.00             | 57.74            | 111.35        | 91.01                 | 2,945.92                          | 1,370.19                          | 1,363.26               | 1,193.84                | 169.42                    | 8.047             |                    |
| 13,100.00                                                | 10,300.00             | 15,825.98             | 10,300.00             | 59.42            | 109.59        | 91.01                 | 3,045.92                          | 1,370.19                          | 1,363.02               | 1,193.84                | 169.18                    | 8.056             |                    |
| 13,200.00                                                | 10,300.00             | 15,725.98             | 10,300.00             | 61.10            | 107.84        | 91.01                 | 3,145.92                          | 1,370.18                          | 1,362.78               | 1,193.82                | 168.96                    | 8.066             |                    |
| 13,300.00                                                | 10,300.00             | 15,625.98             | 10,300.00             | 62.79            | 106.09        | 91.01                 | 3,245.92                          | 1,370.18                          | 1,362.54               | 1,193.80                | 168.74                    | 8.075             |                    |
| 13,400.00                                                | 10,300.00             | 15,525.98             | 10,300.00             | 64.49            | 104.34        | 91.01                 | 3,345.92                          | 1,370.18                          | 1,362.29               | 1,193.76                | 168.53                    | 8.083             |                    |
| 13,500.00                                                | 10,300.00             | 15,425.98             | 10,300.00             | 66.20            | 102.60        | 91.01                 | 3,445.92                          | 1,370.18                          | 1,362.05               | 1,193.72                | 168.33                    | 8.092             |                    |
| 13,600.00                                                | 10,300.00             | 15,325.98             | 10,300.00             | 67.91            | 100.86        | 91.01                 | 3,545.92                          | 1,370.18                          | 1,361.81               | 1,193.67                | 168.13                    | 8.100             |                    |
| 13,700.00                                                | 10,300.00             | 15,225.98             | 10,300.00             | 69.62            | 99.12         | 91.01                 | 3,645.92                          | 1,370.18                          | 1,361.56               | 1,193.62                | 167.95                    | 8.107             |                    |
| 13,800.00                                                | 10,300.00             | 15,125.98             | 10,300.00             | 71.34            | 97.38         | 91.01                 | 3,745.92                          | 1,370.18                          | 1,361.32               | 1,193.55                | 167.77                    | 8.114             |                    |
| 13,900.00                                                | 10,300.00             | 15,025.98             | 10,300.00             | 73.07            | 95.65         | 91.01                 | 3,845.92                          | 1,370.18                          | 1,361.08               | 1,193.48                | 167.59                    | 8.121             |                    |
| 14,000.00                                                | 10,300.00             | 14,925.98             | 10,300.00             | 74.80            | 93.92         | 91.01                 | 3,945.92                          | 1,370.18                          | 1,360.84               | 1,193.41                | 167.43                    | 8.128             |                    |
| 14,100.00                                                | 10,300.00             | 14,825.98             | 10,300.00             | 76.54            | 92.19         | 91.01                 | 4,045.92                          | 1,370.18                          | 1,360.59               | 1,193.32                | 167.27                    | 8.134             |                    |
| 14,200.00                                                | 10,300.00             | 14,725.98             | 10,300.00             | 78.28            | 90.47         | 91.01                 | 4,145.92                          | 1,370.18                          | 1,360.35               | 1,193.23                | 167.12                    | 8.140             |                    |
| 14,300.00                                                | 10,300.00             | 14,625.98             | 10,300.00             | 80.02            | 88.75         | 91.01                 | 4,245.92                          | 1,370.18                          | 1,360.11               | 1,193.14                | 166.97                    | 8.146             |                    |
| 14,400.00                                                | 10,300.00             | 14,525.98             | 10,300.00             | 81.76            | 87.04         | 91.01                 | 4,345.91                          | 1,370.18                          | 1,359.86               | 1,193.03                | 166.83                    | 8.151             |                    |
| 14,500.00                                                | 10,300.00             | 14,425.98             | 10,300.00             | 83.51            | 85.33         | 91.01                 | 4,445.91                          | 1,370.18                          | 1,359.62               | 1,192.81                | 166.81                    | 8.151             |                    |
| 14,600.00                                                | 10,300.00             | 14,325.98             | 10,300.00             | 85.27            | 83.62         | 91.01                 | 4,545.91                          | 1,370.17                          | 1,359.38               | 1,192.56                | 166.82                    | 8.149             |                    |
| 14,700.00                                                | 10,300.00             | 14,225.98             | 10,300.00             | 87.02            | 81.92         | 91.01                 | 4,645.91                          | 1,370.17                          | 1,359.14               | 1,192.30                | 166.83                    | 8.147             |                    |
| 14,800.00                                                | 10,300.00             | 14,125.98             | 10,300.00             | 88.78            | 80.23         | 91.01                 | 4,745.91                          | 1,370.17                          | 1,358.89               | 1,192.04                | 166.85                    | 8.144             |                    |
| 14,900.00                                                | 10,300.00             | 14,025.98             | 10,300.00             | 90.54            | 78.54         | 91.01                 | 4,845.91                          | 1,370.17                          | 1,358.65               | 1,191.77                | 166.88                    | 8.142             |                    |
| 15,000.00                                                | 10,300.00             | 13,925.98             | 10,300.00             | 92.30            | 76.85         | 91.01                 | 4,945.91                          | 1,370.17                          | 1,358.41               | 1,191.50                | 166.91                    | 8.138             |                    |
| 15,100.00                                                | 10,300.00             | 13,825.98             | 10,300.00             | 94.07            | 75.16         | 91.01                 | 5,045.91                          | 1,370.17                          | 1,358.16               | 1,191.21                | 166.95                    | 8.135             |                    |
| 15,200.00                                                | 10,300.00             | 13,725.98             | 10,300.00             | 95.83            | 73.50         | 91.01                 | 5,145.91                          | 1,370.17                          | 1,357.92               | 1,190.93                | 167.00                    | 8.131             |                    |
| 15,300.00                                                | 10,300.00             | 13,625.98             | 10,300.00             | 97.60            | 71.84         | 91.01                 | 5,245.91                          | 1,370.17                          | 1,357.68               | 1,190.63                | 167.05                    | 8.127             |                    |
| 15,400.00                                                | 10,300.00             | 13,525.98             | 10,300.00             | 99.37            | 70.19         | 91.01                 | 5,345.91                          | 1,370.17                          | 1,357.44               | 1,190.33                | 167.11                    | 8.123             |                    |
| 15,500.00                                                | 10,300.00             | 13,425.98             | 10,300.00             | 101.15           | 68.54         | 91.01                 | 5,445.91                          | 1,370.17                          | 1,357.19               | 1,190.02                | 167.18                    | 8.118             |                    |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

## Anticollision Report



|                           |                              |                                     |                                   |
|---------------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>           | Kaiser - Francis Oil Company | <b>Local Co-ordinate Reference:</b> | Well #262H                        |
| <b>Project:</b>           | Lea Co, NM (Nad 27 NME)      | <b>TVD Reference:</b>               | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Reference Site:</b>    | Bell Lake Unit North         | <b>MD Reference:</b>                | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Site Error:</b>        | 0.00 usft                    | <b>North Reference:</b>             | Grid                              |
| <b>Reference Well:</b>    | #262H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Well Error:</b>        | 0.00 usft                    | <b>Output errors are at</b>         | 2.00 sigma                        |
| <b>Reference Wellbore</b> | OH                           | <b>Database:</b>                    | Midland District                  |
| <b>Reference Design:</b>  | Plan #1                      | <b>Offset TVD Reference:</b>        | Offset Datum                      |

| Offset Design Bell Lake Unit North - #3H - OH - Plan #1 |                             |                             |                             |                     |                  |                             |                                           |                 |                              |                               |                                 |                      | Offset Site Error: |
|---------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------|------------------|-----------------------------|-------------------------------------------|-----------------|------------------------------|-------------------------------|---------------------------------|----------------------|--------------------|
| Survey Program: O-SDI MWD                               |                             |                             |                             |                     |                  |                             |                                           |                 |                              |                               |                                 |                      | 0.00 usft          |
| Reference                                               | Offset                      | Semi Major Axis             |                             | Distance            |                  | Warning                     |                                           |                 |                              |                               |                                 |                      |                    |
| Measured<br>Depth<br>(usft)                             | Vertical<br>Depth<br>(usft) | Measured<br>Depth<br>(usft) | Vertical<br>Depth<br>(usft) | Reference<br>(usft) | Offset<br>(usft) | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(usft) | +E/-W<br>(usft) | Between<br>Centres<br>(usft) | Between<br>Ellipses<br>(usft) | Minimum<br>Separation<br>(usft) | Separation<br>Factor | Warning            |
| 15,600.00                                               | 10,300.00                   | 13,325.98                   | 10,300.00                   | 102.92              | 66.90            | 91.01                       | 5,545.91                                  | 1,370.17        | 1,356.95                     | 1,189.70                      | 167.25                          | 8.113                |                    |
| 15,700.00                                               | 10,300.00                   | 13,225.98                   | 10,300.00                   | 104.70              | 65.27            | 91.01                       | 5,645.91                                  | 1,370.17        | 1,356.71                     | 1,189.37                      | 167.34                          | 8.108                |                    |
| 15,800.00                                               | 10,300.00                   | 13,125.98                   | 10,300.00                   | 106.47              | 63.65            | 91.01                       | 5,745.91                                  | 1,370.17        | 1,356.46                     | 1,189.03                      | 167.43                          | 8.102                |                    |
| 15,900.00                                               | 10,300.00                   | 13,025.98                   | 10,300.00                   | 108.25              | 62.05            | 91.01                       | 5,845.91                                  | 1,370.17        | 1,356.22                     | 1,188.69                      | 167.54                          | 8.095                |                    |
| 16,000.00                                               | 10,300.00                   | 12,925.99                   | 10,300.00                   | 110.03              | 60.45            | 91.01                       | 5,945.91                                  | 1,370.16        | 1,355.98                     | 1,188.33                      | 167.65                          | 8.088                |                    |
| 16,100.00                                               | 10,300.00                   | 12,825.99                   | 10,300.00                   | 111.81              | 58.87            | 91.01                       | 6,045.91                                  | 1,370.16        | 1,355.74                     | 1,187.96                      | 167.77                          | 8.081                |                    |
| 16,200.00                                               | 10,300.00                   | 12,725.99                   | 10,300.00                   | 113.60              | 57.30            | 91.01                       | 6,145.91                                  | 1,370.16        | 1,355.49                     | 1,187.58                      | 167.91                          | 8.073                |                    |
| 16,300.00                                               | 10,300.00                   | 12,625.99                   | 10,300.00                   | 115.38              | 55.75            | 91.01                       | 6,245.91                                  | 1,370.16        | 1,355.25                     | 1,187.19                      | 168.06                          | 8.064                |                    |
| 16,400.00                                               | 10,300.00                   | 12,525.99                   | 10,300.00                   | 117.17              | 54.22            | 91.01                       | 6,345.91                                  | 1,370.16        | 1,355.01                     | 1,186.79                      | 168.22                          | 8.055                |                    |
| 16,500.00                                               | 10,300.00                   | 12,425.99                   | 10,300.00                   | 118.95              | 52.70            | 91.01                       | 6,445.91                                  | 1,370.16        | 1,354.77                     | 1,186.37                      | 168.40                          | 8.045                |                    |
| 16,600.00                                               | 10,300.00                   | 12,325.99                   | 10,300.00                   | 120.74              | 51.20            | 91.02                       | 6,545.91                                  | 1,370.16        | 1,354.52                     | 1,185.93                      | 168.59                          | 8.034                |                    |
| 16,700.00                                               | 10,300.00                   | 12,225.99                   | 10,300.00                   | 122.53              | 49.72            | 91.02                       | 6,645.91                                  | 1,370.16        | 1,354.28                     | 1,185.48                      | 168.80                          | 8.023                |                    |
| 16,800.00                                               | 10,300.00                   | 12,125.99                   | 10,300.00                   | 124.32              | 48.27            | 91.02                       | 6,745.91                                  | 1,370.16        | 1,354.04                     | 1,185.01                      | 169.03                          | 8.011                |                    |
| 16,900.00                                               | 10,300.00                   | 12,025.99                   | 10,300.00                   | 126.11              | 46.84            | 91.02                       | 6,845.91                                  | 1,370.16        | 1,353.79                     | 1,184.51                      | 169.28                          | 7.997                |                    |
| 17,000.00                                               | 10,300.00                   | 11,925.99                   | 10,300.00                   | 127.90              | 45.44            | 91.02                       | 6,945.91                                  | 1,370.16        | 1,353.55                     | 1,183.99                      | 169.56                          | 7.983                |                    |
| 17,100.00                                               | 10,300.00                   | 11,825.99                   | 10,300.00                   | 129.69              | 44.08            | 91.02                       | 7,045.91                                  | 1,370.16        | 1,353.31                     | 1,183.45                      | 169.86                          | 7.967                |                    |
| 17,200.00                                               | 10,300.00                   | 11,725.99                   | 10,300.00                   | 131.48              | 42.74            | 91.02                       | 7,145.91                                  | 1,370.16        | 1,353.07                     | 1,182.88                      | 170.19                          | 7.950                |                    |
| 17,300.00                                               | 10,300.00                   | 11,625.99                   | 10,300.00                   | 133.28              | 41.44            | 91.02                       | 7,245.91                                  | 1,370.16        | 1,352.82                     | 1,182.27                      | 170.55                          | 7.932                |                    |
| 17,400.00                                               | 10,300.00                   | 11,525.99                   | 10,300.00                   | 135.07              | 40.19            | 91.02                       | 7,345.91                                  | 1,370.15        | 1,352.58                     | 1,181.63                      | 170.95                          | 7.912                |                    |
| 17,500.00                                               | 10,300.00                   | 11,425.99                   | 10,300.00                   | 136.87              | 38.98            | 91.02                       | 7,445.91                                  | 1,370.15        | 1,352.34                     | 1,180.95                      | 171.39                          | 7.890                |                    |
| 17,600.00                                               | 10,300.00                   | 11,325.99                   | 10,300.00                   | 138.66              | 37.81            | 91.02                       | 7,545.91                                  | 1,370.15        | 1,352.09                     | 1,180.22                      | 171.88                          | 7.867                |                    |
| 17,700.00                                               | 10,300.00                   | 11,225.99                   | 10,300.00                   | 140.46              | 36.70            | 91.02                       | 7,645.91                                  | 1,370.15        | 1,351.85                     | 1,179.44                      | 172.41                          | 7.841                |                    |
| 17,800.00                                               | 10,300.00                   | 11,125.99                   | 10,300.00                   | 142.25              | 35.65            | 91.02                       | 7,745.90                                  | 1,370.15        | 1,351.61                     | 1,178.61                      | 173.00                          | 7.813                |                    |
| 17,900.00                                               | 10,300.00                   | 11,025.99                   | 10,300.00                   | 144.05              | 34.67            | 91.02                       | 7,845.90                                  | 1,370.15        | 1,351.37                     | 1,177.71                      | 173.66                          | 7.782                |                    |
| 18,000.00                                               | 10,300.00                   | 10,925.99                   | 10,300.00                   | 145.85              | 33.75            | 91.02                       | 7,945.90                                  | 1,370.15        | 1,351.12                     | 1,176.74                      | 174.38                          | 7.748                |                    |
| 18,100.00                                               | 10,300.00                   | 10,825.99                   | 10,300.00                   | 147.65              | 32.91            | 91.02                       | 8,045.90                                  | 1,370.15        | 1,350.88                     | 1,175.69                      | 175.19                          | 7.711                |                    |
| 18,200.00                                               | 10,300.00                   | 10,725.99                   | 10,300.00                   | 149.45              | 32.15            | 91.02                       | 8,145.90                                  | 1,370.15        | 1,350.64                     | 1,174.56                      | 176.08                          | 7.671                |                    |
| 18,231.11                                               | 10,300.00                   | 10,694.46                   | 10,299.90                   | 149.91              | 31.93            | 91.01                       | 8,177.44                                  | 1,370.15        | 1,350.56                     | 1,174.29                      | 176.27                          | 7.662                | CC, ES, SF         |

## Anticollision Report



|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design North Bell Lake Federal Unit - #3 - OH - OH |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           | Offset Site Error: | 0.00 usft |
|-----------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|--------------|------------------------|-------------------------|---------------------------|--------------------|-----------|
| Survey Program: 100-NS-GYRO-MS                            |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                           | Offset Well Error: | 0.00 usft |
| Reference                                                 | Offset                | Semi Major Axis       |                       | Distance         |               | Warning               |                                     |              |                        |                         |                           |                    |           |
| Measured Depth (usft)                                     | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor  | Warning   |
| 0.00                                                      | 0.00                  | 0.00                  | 0.00                  | 0.00             | 0.00          | 8.99                  | 1,297.73                            | 205.19       | 1,314.09               |                         |                           |                    |           |
| 100.00                                                    | 100.00                | 76.04                 | 76.04                 | 0.09             | 0.10          | 8.99                  | 1,297.70                            | 205.19       | 1,313.82               | 1,313.63                | 0.19                      | 7,006.707          |           |
| 200.00                                                    | 200.00                | 176.35                | 176.35                | 0.31             | 0.32          | 8.99                  | 1,297.59                            | 205.24       | 1,313.72               | 1,313.09                | 0.63                      | 2,085.811          |           |
| 300.00                                                    | 300.00                | 276.00                | 276.00                | 0.54             | 0.57          | 8.99                  | 1,297.47                            | 205.37       | 1,313.63               | 1,312.52                | 1.10                      | 1,192.148          |           |
| 400.00                                                    | 400.00                | 376.51                | 376.51                | 0.76             | 0.83          | 9.00                  | 1,297.37                            | 205.47       | 1,313.54               | 1,311.95                | 1.59                      | 827.552            |           |
| 500.00                                                    | 500.00                | 476.12                | 476.12                | 0.99             | 1.09          | 9.00                  | 1,297.24                            | 205.54       | 1,313.43               | 1,311.35                | 2.08                      | 632.902            |           |
| 600.00                                                    | 600.00                | 576.08                | 576.08                | 1.21             | 1.35          | 9.01                  | 1,297.16                            | 205.57       | 1,313.35               | 1,310.79                | 2.56                      | 513.497            |           |
| 700.00                                                    | 700.00                | 682.40                | 682.40                | 1.44             | 1.55          | 8.98                  | 1,296.96                            | 204.99       | 1,313.08               | 1,310.10                | 2.99                      | 439.713            |           |
| 800.00                                                    | 800.00                | 798.66                | 798.59                | 1.66             | 1.70          | 8.84                  | 1,296.17                            | 201.50       | 1,311.95               | 1,308.59                | 3.36                      | 390.087            |           |
| 900.00                                                    | 900.00                | 902.25                | 902.05                | 1.88             | 1.86          | 8.62                  | 1,294.95                            | 196.22       | 1,310.01               | 1,306.26                | 3.75                      | 349.511            |           |
| 1,000.00                                                  | 1,000.00              | 1,000.00              | 999.65                | 2.11             | 2.04          | 8.40                  | 1,293.78                            | 190.98       | 1,308.03               | 1,303.88                | 4.15                      | 315.465            |           |
| 1,100.00                                                  | 1,100.00              | 1,099.30              | 1,098.80              | 2.33             | 2.23          | 8.18                  | 1,292.68                            | 185.72       | 1,306.17               | 1,301.60                | 4.56                      | 286.183            |           |
| 1,200.00                                                  | 1,200.00              | 1,199.53              | 1,198.88              | 2.56             | 2.44          | 7.95                  | 1,291.60                            | 180.33       | 1,304.34               | 1,299.34                | 5.00                      | 261.019            |           |
| 1,300.00                                                  | 1,300.00              | 1,298.47              | 1,297.66              | 2.78             | 2.66          | 7.72                  | 1,290.55                            | 174.97       | 1,302.56               | 1,297.12                | 5.44                      | 239.532            |           |
| 1,400.00                                                  | 1,400.00              | 1,396.10              | 1,395.19              | 3.01             | 2.88          | 7.53                  | 1,289.55                            | 170.36       | 1,300.91               | 1,295.03                | 5.89                      | 221.037            |           |
| 1,500.00                                                  | 1,500.00              | 1,496.35              | 1,495.34              | 3.23             | 3.11          | 7.35                  | 1,288.53                            | 166.13       | 1,299.36               | 1,293.01                | 6.35                      | 204.749            |           |
| 1,600.00                                                  | 1,600.00              | 1,593.29              | 1,592.20              | 3.46             | 3.35          | 7.18                  | 1,287.62                            | 162.20       | 1,297.91               | 1,291.10                | 6.80                      | 190.782            |           |
| 1,700.00                                                  | 1,700.00              | 1,691.73              | 1,690.57              | 3.68             | 3.59          | 7.03                  | 1,286.81                            | 158.70       | 1,296.65               | 1,289.38                | 7.27                      | 178.429            |           |
| 1,800.00                                                  | 1,800.00              | 1,788.10              | 1,786.89              | 3.91             | 3.82          | 6.90                  | 1,286.14                            | 155.71       | 1,295.58               | 1,287.85                | 7.73                      | 167.648            |           |
| 1,900.00                                                  | 1,900.00              | 1,884.47              | 1,883.23              | 4.13             | 4.06          | 6.79                  | 1,285.70                            | 153.11       | 1,294.81               | 1,286.62                | 8.19                      | 158.133            |           |
| 2,000.00                                                  | 2,000.00              | 1,980.31              | 1,979.04              | 4.36             | 4.29          | 6.69                  | 1,285.51                            | 150.80       | 1,294.33               | 1,285.69                | 8.64                      | 149.740            |           |
| 2,100.00                                                  | 2,100.00              | 2,078.68              | 2,077.39              | 4.58             | 4.53          | 6.61                  | 1,285.49                            | 149.02       | 1,294.10               | 1,285.00                | 9.10                      | 142.138            |           |
| 2,200.00                                                  | 2,200.00              | 2,177.02              | 2,175.72              | 4.81             | 4.76          | 6.56                  | 1,285.51                            | 147.74       | 1,293.98               | 1,284.41                | 9.56                      | 135.294            |           |
| 2,300.00                                                  | 2,300.00              | 2,276.55              | 2,275.24              | 5.03             | 5.00          | 6.52                  | 1,285.59                            | 146.85       | 1,293.95               | 1,283.92                | 10.03                     | 129.057            |           |
| 2,316.43                                                  | 2,316.43              | 2,292.97              | 2,291.67              | 5.07             | 5.04          | 6.51                  | 1,285.60                            | 146.76       | 1,293.95               | 1,283.85                | 10.10                     | 128.085            |           |
| 2,400.00                                                  | 2,400.00              | 2,370.95              | 2,369.64              | 5.26             | 5.17          | 6.50                  | 1,285.77                            | 146.52       | 1,294.10               | 1,283.68                | 10.42                     | 124.195            |           |
| 2,500.00                                                  | 2,500.00              | 2,465.87              | 2,464.57              | 5.48             | 5.25          | 6.50                  | 1,286.36                            | 146.63       | 1,294.74               | 1,284.00                | 10.73                     | 120.644            |           |
| 2,600.00                                                  | 2,600.00              | 2,563.20              | 2,561.89              | 5.71             | 5.30          | 6.52                  | 1,287.21                            | 147.21       | 1,295.66               | 1,284.66                | 11.01                     | 117.711            |           |
| 2,700.00                                                  | 2,700.00              | 2,662.45              | 2,661.13              | 5.93             | 5.36          | 6.55                  | 1,288.17                            | 148.02       | 1,296.72               | 1,285.44                | 11.28                     | 114.915            |           |
| 2,800.00                                                  | 2,800.00              | 2,760.78              | 2,759.46              | 6.16             | 5.42          | 6.59                  | 1,289.17                            | 148.84       | 1,297.83               | 1,286.26                | 11.57                     | 112.149            |           |
| 2,900.00                                                  | 2,900.00              | 2,857.02              | 2,855.68              | 6.38             | 5.49          | 6.62                  | 1,290.34                            | 149.85       | 1,299.16               | 1,287.29                | 11.87                     | 109.460            |           |
| 3,000.00                                                  | 3,000.00              | 2,953.00              | 2,951.64              | 6.60             | 5.57          | 6.69                  | 1,291.75                            | 151.47       | 1,300.81               | 1,288.64                | 12.17                     | 106.876            |           |
| 3,100.00                                                  | 3,100.00              | 3,051.30              | 3,049.90              | 6.83             | 5.65          | 6.77                  | 1,293.37                            | 153.62       | 1,302.70               | 1,290.22                | 12.48                     | 104.364            |           |
| 3,200.00                                                  | 3,200.00              | 3,150.71              | 3,149.26              | 7.05             | 5.75          | 6.88                  | 1,294.99                            | 156.28       | 1,304.64               | 1,291.84                | 12.80                     | 101.905            |           |
| 3,300.00                                                  | 3,300.00              | 3,248.92              | 3,247.41              | 7.28             | 5.85          | 7.01                  | 1,296.62                            | 159.43       | 1,306.67               | 1,293.54                | 13.13                     | 99.518             |           |
| 3,400.00                                                  | 3,400.00              | 3,346.26              | 3,344.67              | 7.50             | 5.96          | 7.15                  | 1,298.36                            | 162.82       | 1,308.88               | 1,295.41                | 13.47                     | 97.200             |           |
| 3,500.00                                                  | 3,500.00              | 3,442.38              | 3,440.71              | 7.73             | 6.08          | 7.28                  | 1,300.30                            | 166.21       | 1,311.33               | 1,297.52                | 13.81                     | 94.956             |           |
| 3,600.00                                                  | 3,600.00              | 3,537.21              | 3,535.45              | 7.95             | 6.21          | 7.42                  | 1,302.54                            | 169.67       | 1,314.14               | 1,299.97                | 14.16                     | 92.796             |           |
| 3,700.00                                                  | 3,700.00              | 3,631.92              | 3,630.07              | 8.18             | 6.34          | 7.55                  | 1,305.16                            | 173.09       | 1,317.35               | 1,302.83                | 14.52                     | 90.713             |           |
| 3,800.00                                                  | 3,800.00              | 3,728.28              | 3,726.31              | 8.40             | 6.49          | 7.69                  | 1,308.16                            | 176.63       | 1,320.93               | 1,306.04                | 14.89                     | 88.692             |           |
| 3,900.00                                                  | 3,900.00              | 3,827.18              | 3,825.09              | 8.63             | 6.65          | 7.82                  | 1,311.39                            | 180.19       | 1,324.65               | 1,309.37                | 15.28                     | 86.712             |           |
| 4,000.00                                                  | 4,000.00              | 3,925.54              | 3,923.34              | 8.85             | 6.81          | 7.96                  | 1,314.70                            | 183.80       | 1,328.49               | 1,312.82                | 15.67                     | 84.804             |           |
| 4,100.00                                                  | 4,100.00              | 4,025.11              | 4,022.77              | 9.08             | 6.99          | 8.10                  | 1,318.10                            | 187.50       | 1,332.40               | 1,316.33                | 16.06                     | 82.952             |           |
| 4,200.00                                                  | 4,200.00              | 4,124.79              | 4,122.33              | 9.30             | 7.16          | 8.23                  | 1,321.51                            | 191.25       | 1,336.32               | 1,319.85                | 16.47                     | 81.161             |           |
| 4,300.00                                                  | 4,300.00              | 4,225.47              | 4,222.88              | 9.53             | 7.35          | 8.37                  | 1,325.00                            | 195.01       | 1,340.29               | 1,323.41                | 16.88                     | 79.424             |           |
| 4,400.00                                                  | 4,400.00              | 4,333.03              | 4,330.31              | 9.75             | 7.55          | 8.52                  | 1,328.35                            | 199.04       | 1,343.92               | 1,326.62                | 17.30                     | 77.672             |           |
| 4,500.00                                                  | 4,500.00              | 4,446.48              | 4,443.67              | 9.98             | 7.77          | 8.65                  | 1,331.13                            | 202.59       | 1,346.82               | 1,329.08                | 17.75                     | 75.899             |           |
| 4,600.00                                                  | 4,600.00              | 4,562.08              | 4,559.23              | 10.20            | 8.00          | 8.76                  | 1,332.69                            | 205.37       | 1,348.52               | 1,330.32                | 18.19                     | 74.118             |           |
| 4,700.00                                                  | 4,700.00              | 4,668.95              | 4,666.08              | 10.43            | 8.21          | 8.82                  | 1,333.37                            | 206.92       | 1,349.36               | 1,330.73                | 18.63                     | 72.439             |           |
| 4,800.00                                                  | 4,800.00              | 4,771.43              | 4,768.55              | 10.65            | 8.41          | 8.88                  | 1,333.73                            | 208.30       | 1,349.91               | 1,330.86                | 19.05                     | 70.849             |           |
| 4,900.00                                                  | 4,900.00              | 4,873.95              | 4,871.07              | 10.88            | 8.61          | 8.92                  | 1,333.96                            | 209.44       | 1,350.30               | 1,330.82                | 19.48                     | 69.316             |           |
| 5,000.00                                                  | 5,000.00              | 4,985.95              | 4,983.06              | 11.10            | 8.80          | 8.90                  | 1,333.32                            | 208.86       | 1,349.61               | 1,329.71                | 19.90                     | 67.831             |           |

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset TVD/Reference:        | Offset Datum                      |

| Offset Design North Bell Lake Federal Unit - #3 - OH - OH |                       |                       |                       |                  |               |                       |                                     |                              |                        |                         |                           | Offset Site Error: |
|-----------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|------------------------------|------------------------|-------------------------|---------------------------|--------------------|
| Survey/Program: 100-NS-GYRO-MS                            |                       |                       |                       |                  |               |                       |                                     |                              |                        |                         |                           | 0.00 usft          |
| Reference                                                 | Offset                | Semi Major Axis       |                       | Distance         |               | Warning               |                                     | Offset Well Error: 0.00 usft |                        |                         |                           |                    |
| Measured Depth (usft)                                     | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft)                 | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor  |
| 5,028.06                                                  | 5,028.06              | 5,007.54              | 5,004.64              | 11.16            | 8.84          | 8.90                  | 1,333.27                            | 208.70                       | 1,349.51               | 1,329.51                | 20.00                     | 67.489             |
| 5,100.00                                                  | 5,100.00              | 5,082.05              | 5,079.15              | 11.32            | 8.96          | 8.89                  | 1,333.44                            | 208.55                       | 1,349.65               | 1,329.37                | 20.28                     | 66.540             |
| 5,200.00                                                  | 5,200.00              | 5,201.92              | 5,199.01              | 11.55            | 9.14          | 8.89                  | 1,331.92                            | 208.27                       | 1,348.32               | 1,327.63                | 20.69                     | 65.166             |
| 5,300.00                                                  | 5,300.00              | 5,288.76              | 5,285.84              | 11.77            | 9.27          | 8.90                  | 1,330.58                            | 208.46                       | 1,346.86               | 1,325.81                | 21.04                     | 64.005             |
| 5,400.00                                                  | 5,400.00              | 5,405.51              | 5,402.58              | 12.00            | 9.44          | 8.88                  | 1,329.53                            | 207.71                       | 1,345.94               | 1,324.50                | 21.44                     | 62.776             |
| 5,500.00                                                  | 5,500.00              | 5,498.55              | 5,495.60              | 12.22            | 9.59          | 8.88                  | 1,327.80                            | 207.44                       | 1,344.06               | 1,322.25                | 21.81                     | 61.622             |
| 5,600.00                                                  | 5,600.00              | 5,588.98              | 5,586.02              | 12.45            | 9.73          | 8.90                  | 1,326.67                            | 207.73                       | 1,342.88               | 1,320.70                | 22.18                     | 60.548             |
| 5,700.00                                                  | 5,700.00              | 5,708.85              | 5,705.87              | 12.67            | 9.93          | 8.92                  | 1,324.48                            | 207.90                       | 1,341.05               | 1,318.45                | 22.60                     | 59.335             |
| 5,800.00                                                  | 5,800.00              | 5,786.00              | 5,783.02              | 12.90            | 10.07         | 8.93                  | 1,323.65                            | 207.90                       | 1,339.90               | 1,316.94                | 22.96                     | 58.352             |
| 5,833.03                                                  | 5,833.03              | 5,810.21              | 5,807.22              | 12.97            | 10.11         | 8.93                  | 1,323.67                            | 207.95                       | 1,339.90               | 1,316.82                | 23.08                     | 58.057             |
| 5,900.00                                                  | 5,900.00              | 5,881.35              | 5,878.37              | 13.12            | 10.23         | 8.93                  | 1,323.59                            | 208.03                       | 1,339.84               | 1,316.48                | 23.36                     | 57.368             |
| 6,000.00                                                  | 6,000.00              | 5,986.16              | 5,983.17              | 13.35            | 10.42         | 8.93                  | 1,323.10                            | 207.92                       | 1,339.36               | 1,315.60                | 23.76                     | 56.364             |
| 6,100.00                                                  | 6,100.00              | 6,083.13              | 6,080.14              | 13.57            | 10.58         | 8.93                  | 1,322.65                            | 207.88                       | 1,338.90               | 1,314.75                | 24.15                     | 55.446             |
| 6,200.00                                                  | 6,200.00              | 6,199.08              | 6,196.09              | 13.80            | 10.78         | 8.93                  | 1,321.89                            | 207.81                       | 1,338.29               | 1,313.72                | 24.57                     | 54.467             |
| 6,300.00                                                  | 6,300.00              | 6,299.88              | 6,296.86              | 14.02            | 10.94         | 8.88                  | 1,319.77                            | 206.29                       | 1,335.98               | 1,311.02                | 24.96                     | 53.520             |
| 6,400.00                                                  | 6,400.00              | 6,378.52              | 6,375.48              | 14.25            | 11.07         | 8.82                  | 1,319.51                            | 204.77                       | 1,335.31               | 1,309.99                | 25.31                     | 52.749             |
| 6,405.30                                                  | 6,405.30              | 6,383.34              | 6,380.30              | 14.26            | 11.08         | 8.82                  | 1,319.52                            | 204.70                       | 1,335.30               | 1,309.97                | 25.33                     | 52.708             |
| 6,500.00                                                  | 6,500.00              | 6,473.88              | 6,470.84              | 14.47            | 11.23         | 8.79                  | 1,319.87                            | 204.07                       | 1,335.56               | 1,309.86                | 25.70                     | 51.974             |
| 6,600.00                                                  | 6,600.00              | 6,578.52              | 6,575.48              | 14.70            | 11.40         | 8.78                  | 1,320.06                            | 203.77                       | 1,335.69               | 1,309.59                | 26.10                     | 51.177             |
| 6,700.00                                                  | 6,700.00              | 6,683.16              | 6,680.12              | 14.92            | 11.58         | 8.77                  | 1,319.87                            | 203.57                       | 1,335.48               | 1,308.98                | 26.50                     | 50.391             |
| 6,800.00                                                  | 6,800.00              | 6,783.61              | 6,780.56              | 15.15            | 11.76         | 8.77                  | 1,319.42                            | 203.47                       | 1,335.03               | 1,308.13                | 26.90                     | 49.621             |
| 6,900.00                                                  | 6,900.00              | 6,881.78              | 6,878.74              | 15.37            | 11.94         | 8.77                  | 1,319.08                            | 203.42                       | 1,334.68               | 1,307.38                | 27.31                     | 48.879             |
| 7,000.00                                                  | 7,000.00              | 6,979.96              | 6,976.91              | 15.60            | 12.11         | 8.77                  | 1,318.88                            | 203.41                       | 1,334.47               | 1,306.76                | 27.71                     | 48.163             |
| 7,100.00                                                  | 7,100.00              | 7,079.77              | 7,076.72              | 15.82            | 12.29         | 8.76                  | 1,318.77                            | 203.29                       | 1,334.35               | 1,306.24                | 28.11                     | 47.469             |
| 7,200.00                                                  | 7,200.00              | 7,190.39              | 7,187.34              | 16.04            | 12.49         | 8.75                  | 1,318.29                            | 202.79                       | 1,333.85               | 1,305.32                | 28.53                     | 46.752             |
| 7,300.00                                                  | 7,300.00              | 7,280.00              | 7,276.95              | 16.27            | 12.65         | 8.72                  | 1,317.72                            | 202.22                       | 1,333.14               | 1,304.23                | 28.92                     | 46.101             |
| 7,316.51                                                  | 7,316.51              | 7,297.57              | 7,294.51              | 16.31            | 12.68         | 8.72                  | 1,317.67                            | 202.10                       | 1,333.08               | 1,304.10                | 28.98                     | 45.992             |
| 7,400.00                                                  | 7,400.00              | 7,373.00              | 7,369.94              | 16.49            | 12.81         | 8.71                  | 1,318.03                            | 201.82                       | 1,333.40               | 1,304.10                | 29.30                     | 45.508             |
| 7,500.00                                                  | 7,500.00              | 7,478.43              | 7,475.37              | 16.72            | 12.99         | 8.69                  | 1,318.64                            | 201.45                       | 1,333.94               | 1,304.23                | 29.71                     | 44.903             |
| 7,600.00                                                  | 7,600.00              | 7,590.33              | 7,587.26              | 16.94            | 13.19         | 8.65                  | 1,318.13                            | 200.57                       | 1,333.36               | 1,303.23                | 30.13                     | 44.256             |
| 7,700.00                                                  | 7,700.00              | 7,686.85              | 7,683.78              | 17.17            | 13.36         | 8.63                  | 1,317.31                            | 200.01                       | 1,332.43               | 1,301.90                | 30.53                     | 43.642             |
| 7,800.00                                                  | 7,800.00              | 7,783.14              | 7,780.07              | 17.39            | 13.54         | 8.64                  | 1,317.03                            | 200.04                       | 1,332.14               | 1,301.21                | 30.93                     | 43.069             |
| 7,900.00                                                  | 7,900.00              | 7,890.42              | 7,887.34              | 17.62            | 13.74         | 8.63                  | 1,316.22                            | 199.67                       | 1,331.33               | 1,299.98                | 31.36                     | 42.459             |
| 8,000.00                                                  | 8,000.00              | 7,988.76              | 7,985.68              | 17.84            | 13.93         | 8.62                  | 1,315.39                            | 199.38                       | 1,330.46               | 1,298.69                | 31.77                     | 41.877             |
| 8,100.00                                                  | 8,100.00              | 8,087.18              | 8,084.10              | 18.07            | 14.12         | 8.61                  | 1,314.70                            | 199.12                       | 1,329.72               | 1,297.53                | 32.19                     | 41.312             |
| 8,200.00                                                  | 8,200.00              | 8,184.62              | 8,181.54              | 18.29            | 14.31         | 8.61                  | 1,314.13                            | 198.93                       | 1,329.12               | 1,296.51                | 32.60                     | 40.768             |
| 8,300.00                                                  | 8,300.00              | 8,284.07              | 8,280.98              | 18.52            | 14.50         | 8.62                  | 1,313.65                            | 199.19                       | 1,328.68               | 1,295.66                | 33.02                     | 40.239             |
| 8,372.21                                                  | 8,372.21              | 8,350.29              | 8,347.21              | 18.68            | 14.62         | 8.63                  | 1,313.42                            | 199.30                       | 1,328.46               | 1,295.16                | 33.30                     | 39.891             |
| 8,400.00                                                  | 8,400.00              | 8,374.65              | 8,371.56              | 18.74            | 14.67         | 8.63                  | 1,313.46                            | 199.25                       | 1,328.49               | 1,295.09                | 33.41                     | 39.767             |
| 8,500.00                                                  | 8,500.00              | 8,473.47              | 8,470.38              | 18.97            | 14.83         | 8.60                  | 1,313.98                            | 198.67                       | 1,328.92               | 1,295.12                | 33.80                     | 39.320             |
| 8,600.00                                                  | 8,600.00              | 8,576.86              | 8,573.76              | 19.19            | 15.00         | 8.56                  | 1,314.33                            | 197.83                       | 1,329.14               | 1,294.95                | 34.19                     | 38.871             |
| 8,700.00                                                  | 8,700.00              | 8,677.87              | 8,674.77              | 19.42            | 15.18         | 8.51                  | 1,314.56                            | 196.65                       | 1,329.19               | 1,294.59                | 34.60                     | 38.419             |
| 8,800.00                                                  | 8,800.00              | 8,776.44              | 8,773.33              | 19.64            | 15.36         | 8.44                  | 1,314.85                            | 195.21                       | 1,329.26               | 1,294.27                | 35.00                     | 37.980             |
| 8,900.00                                                  | 8,900.00              | 8,885.81              | 8,882.69              | 19.87            | 15.56         | 8.39                  | 1,314.82                            | 193.82                       | 1,329.05               | 1,293.62                | 35.43                     | 37.513             |
| 9,000.00                                                  | 9,000.00              | 9,000.42              | 8,997.29              | 20.09            | 15.79         | 8.34                  | 1,313.78                            | 192.60                       | 1,328.01               | 1,292.13                | 35.88                     | 37.011             |
| 9,100.00                                                  | 9,100.00              | 9,103.46              | 9,100.30              | 20.32            | 16.00         | 8.33                  | 1,311.69                            | 191.97                       | 1,325.90               | 1,289.59                | 36.31                     | 36.513             |
| 9,200.00                                                  | 9,200.00              | 9,199.63              | 9,196.46              | 20.54            | 16.19         | 8.33                  | 1,310.14                            | 191.90                       | 1,324.29               | 1,287.56                | 36.73                     | 36.053             |
| 9,300.00                                                  | 9,300.00              | 9,292.22              | 9,289.04              | 20.77            | 16.38         | 8.34                  | 1,308.73                            | 191.76                       | 1,322.78               | 1,285.64                | 37.15                     | 35.611             |
| 9,400.00                                                  | 9,400.00              | 9,384.78              | 9,381.59              | 20.99            | 16.57         | 8.32                  | 1,308.21                            | 191.30                       | 1,322.13               | 1,284.57                | 37.56                     | 35.200             |
| 9,500.00                                                  | 9,500.00              | 9,484.26              | 9,481.08              | 21.21            | 16.77         | 8.30                  | 1,307.80                            | 190.77                       | 1,321.66               | 1,283.66                | 37.99                     | 34.788             |
| 9,600.00                                                  | 9,600.00              | 9,578.52              | 9,575.34              | 21.44            | 16.96         | 8.27                  | 1,307.59                            | 190.17                       | 1,321.34               | 1,282.94                | 38.40                     | 34.406             |
| 9,700.00                                                  | 9,700.00              | 9,689.04              | 9,685.85              | 21.66            | 17.17         | 8.25                  | 1,307.49                            | 189.54                       | 1,321.20               | 1,282.36                | 38.84                     | 34.020             |

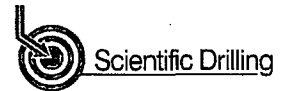
CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |                              |                                     |                                   |
|---------------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>           | Kaiser - Francis Oil Company | <b>Local Co-ordinate Reference:</b> | Well #262H                        |
| <b>Project:</b>           | Lea Co, NM (Nad 27 NME)      | <b>TVD Reference:</b>               | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Reference Site:</b>    | Bell Lake Unit North         | <b>MD Reference:</b>                | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Site Error:</b>        | 0.00 usft                    | <b>North Reference:</b>             | Grid                              |
| <b>Reference Well:</b>    | #262H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Well Error:</b>        | 0.00 usft                    | <b>Output errors are at</b>         | 2.00 sigma                        |
| <b>Reference Wellbore</b> | OH                           | <b>Database:</b>                    | Midland District                  |
| <b>Reference Design:</b>  | Plan #1                      | <b>Offset TVD Reference:</b>        | Offset Datum                      |

| Offset Design: North Bell Lake Federal Unit - #3 - OH - OH |                             |                             |                             |                     |                  |                             |                        |                |                              |                               |                                 |                      | Offset Site Error: |
|------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------|------------------|-----------------------------|------------------------|----------------|------------------------------|-------------------------------|---------------------------------|----------------------|--------------------|
| Survey Program: 100-NS-GYRO-MS                             |                             |                             |                             |                     |                  |                             |                        |                |                              |                               |                                 |                      | Offset Well Error: |
| Reference                                                  |                             | Offset                      |                             | Semi Major Axis     |                  | Highside<br>Toolface<br>(°) | Offset Wellbore Centre |                | Distance                     |                               | Minimum<br>Separation<br>(usft) | Separation<br>Factor | Warning            |
| Measured<br>Depth<br>(usft)                                | Vertical<br>Depth<br>(usft) | Measured<br>Depth<br>(usft) | Vertical<br>Depth<br>(usft) | Reference<br>(usft) | Offset<br>(usft) |                             | +N/S<br>(usft)         | +E/W<br>(usft) | Between<br>Centres<br>(usft) | Between<br>Ellipses<br>(usft) |                                 |                      |                    |
| 9,800.00                                                   | 9,799.80                    | 9,780.03                    | 9,776.84                    | 21.89               | 17.34            | 8.22                        | 1,306.84               | 189.70         | 1,315.95                     | 1,276.51                      | 39.44                           | 33.366               |                    |
| 9,900.00                                                   | 9,897.39                    | 9,872.78                    | 9,869.58                    | 22.10               | 17.51            | 8.61                        | 1,307.11               | 188.60         | 1,295.00                     | 1,255.78                      | 39.23                           | 33.014               |                    |
| 10,000.00                                                  | 9,889.79                    | 9,865.26                    | 9,862.05                    | 22.31               | 17.68            | 9.44                        | 1,307.55               | 187.16         | 1,257.73                     | 1,219.72                      | 38.00                           | 33.095               |                    |
| 10,100.00                                                  | 10,074.21                   | 10,054.00                   | 10,050.77                   | 22.54               | 17.85            | 10.92                       | 1,307.83               | 185.76         | 1,205.03                     | 1,169.16                      | 35.88                           | 33.589               |                    |
| 10,200.00                                                  | 10,148.09                   | 10,139.21                   | 10,135.97                   | 22.82               | 18.02            | 13.57                       | 1,307.52               | 184.77         | 1,138.25                     | 1,105.13                      | 33.12                           | 34.371               |                    |
| 10,300.00                                                  | 10,209.17                   | 10,200.87                   | 10,197.63                   | 23.17               | 18.14            | 18.23                       | 1,306.57               | 185.18         | 1,059.46                     | 1,029.05                      | 30.41                           | 34.844               |                    |
| 10,400.00                                                  | 10,255.60                   | 10,241.16                   | 10,237.91                   | 23.61               | 18.21            | 26.71                       | 1,306.16               | 185.16         | 972.01                       | 942.35                        | 29.66                           | 32.772               |                    |
| 10,500.00                                                  | 10,285.97                   | 10,268.15                   | 10,264.91                   | 24.15               | 18.27            | 44.47                       | 1,306.04               | 184.94         | 878.55                       | 843.73                        | 34.82                           | 25.234               |                    |
| 10,600.00                                                  | 10,299.36                   | 10,281.24                   | 10,277.99                   | 24.80               | 18.29            | 79.93                       | 1,306.01               | 184.78         | 781.92                       | 738.95                        | 42.98                           | 18.195               |                    |
| 10,700.00                                                  | 10,300.00                   | 10,281.68                   | 10,278.43                   | 25.53               | 18.29            | 91.08                       | 1,306.01               | 184.78         | 685.06                       | 641.24                        | 43.82                           | 15.635               |                    |
| 10,800.00                                                  | 10,300.00                   | 10,281.48                   | 10,278.24                   | 26.37               | 18.29            | 91.02                       | 1,306.01               | 184.78         | 589.24                       | 544.58                        | 44.66                           | 13.194               |                    |
| 10,900.00                                                  | 10,300.00                   | 10,281.29                   | 10,278.04                   | 27.31               | 18.29            | 90.96                       | 1,306.01               | 184.78         | 495.07                       | 449.47                        | 45.59                           | 10.858               |                    |
| 11,000.00                                                  | 10,300.00                   | 10,281.09                   | 10,277.84                   | 28.33               | 18.29            | 90.90                       | 1,306.01               | 184.78         | 403.71                       | 357.09                        | 46.82                           | 8.660                |                    |
| 11,100.00                                                  | 10,300.00                   | 10,280.89                   | 10,277.65                   | 29.43               | 18.29            | 90.84                       | 1,306.01               | 184.79         | 317.61                       | 269.89                        | 47.72                           | 6.656                |                    |
| 11,200.00                                                  | 10,300.00                   | 10,280.70                   | 10,277.45                   | 30.60               | 18.29            | 90.77                       | 1,306.02               | 184.79         | 242.42                       | 193.53                        | 48.89                           | 4.959                |                    |
| 11,300.00                                                  | 10,300.00                   | 10,280.50                   | 10,277.25                   | 31.83               | 18.29            | 90.71                       | 1,306.02               | 184.79         | 191.47                       | 141.35                        | 50.12                           | 3.820                |                    |
| 11,360.54                                                  | 10,300.00                   | 10,280.38                   | 10,277.13                   | 32.61               | 18.29            | 90.67                       | 1,306.02               | 184.79         | 181.64                       | 130.75                        | 50.90                           | 3.569                | CC, ES, SF         |
| 11,400.00                                                  | 10,300.00                   | 10,280.30                   | 10,277.05                   | 33.12               | 18.29            | 90.65                       | 1,306.02               | 184.79         | 185.88                       | 134.48                        | 51.40                           | 3.616                |                    |
| 11,500.00                                                  | 10,300.00                   | 10,280.10                   | 10,276.85                   | 34.45               | 18.29            | 90.59                       | 1,306.02               | 184.80         | 229.00                       | 176.27                        | 52.74                           | 4.342                |                    |
| 11,600.00                                                  | 10,300.00                   | 10,279.90                   | 10,276.65                   | 35.83               | 18.29            | 90.52                       | 1,306.02               | 184.80         | 300.56                       | 246.44                        | 54.11                           | 5.554                |                    |
| 11,700.00                                                  | 10,300.00                   | 10,279.70                   | 10,276.45                   | 37.24               | 18.29            | 90.46                       | 1,306.02               | 184.80         | 385.00                       | 329.47                        | 55.53                           | 6.934                |                    |
| 11,800.00                                                  | 10,300.00                   | 10,279.50                   | 10,276.25                   | 38.69               | 18.29            | 90.40                       | 1,306.02               | 184.80         | 475.52                       | 418.54                        | 56.98                           | 8.346                |                    |
| 11,900.00                                                  | 10,300.00                   | 10,279.30                   | 10,276.05                   | 40.17               | 18.29            | 90.33                       | 1,306.02               | 184.81         | 569.22                       | 510.76                        | 58.45                           | 9.738                |                    |
| 12,000.00                                                  | 10,300.00                   | 10,279.10                   | 10,275.85                   | 41.68               | 18.29            | 90.27                       | 1,306.02               | 184.81         | 664.76                       | 604.79                        | 59.96                           | 11.087               |                    |
| 12,100.00                                                  | 10,300.00                   | 10,278.89                   | 10,275.65                   | 43.21               | 18.29            | 90.20                       | 1,306.02               | 184.81         | 761.44                       | 699.95                        | 61.49                           | 12.383               |                    |
| 12,200.00                                                  | 10,300.00                   | 10,278.69                   | 10,275.44                   | 44.76               | 18.29            | 90.14                       | 1,306.02               | 184.81         | 858.88                       | 795.84                        | 63.04                           | 13.624               |                    |
| 12,300.00                                                  | 10,300.00                   | 10,278.49                   | 10,275.24                   | 46.33               | 18.29            | 90.08                       | 1,306.02               | 184.82         | 956.86                       | 892.24                        | 64.61                           | 14.809               |                    |
| 12,400.00                                                  | 10,300.00                   | 10,278.28                   | 10,275.03                   | 47.92               | 18.29            | 90.01                       | 1,306.02               | 184.82         | 1,055.21                     | 989.01                        | 66.20                           | 15.939               |                    |
| 12,500.00                                                  | 10,300.00                   | 10,278.08                   | 10,274.83                   | 49.53               | 18.29            | 89.95                       | 1,306.02               | 184.82         | 1,153.84                     | 1,086.04                      | 67.81                           | 17.016               |                    |
| 12,600.00                                                  | 10,300.00                   | 10,277.87                   | 10,274.62                   | 51.15               | 18.29            | 89.88                       | 1,306.02               | 184.82         | 1,252.70                     | 1,183.27                      | 69.43                           | 18.043               |                    |
| 12,700.00                                                  | 10,300.00                   | 10,277.67                   | 10,274.42                   | 52.78               | 18.28            | 89.82                       | 1,306.02               | 184.83         | 1,351.72                     | 1,280.66                      | 71.06                           | 19.023               |                    |
| 12,800.00                                                  | 10,300.00                   | 10,277.46                   | 10,274.21                   | 54.42               | 18.28            | 89.75                       | 1,306.02               | 184.83         | 1,450.87                     | 1,378.17                      | 72.70                           | 19.956               |                    |
| 12,900.00                                                  | 10,300.00                   | 10,277.25                   | 10,274.01                   | 56.08               | 18.28            | 89.69                       | 1,306.02               | 184.83         | 1,550.13                     | 1,475.78                      | 74.36                           | 20.847               |                    |
| 13,000.00                                                  | 10,300.00                   | 10,277.05                   | 10,273.80                   | 57.74               | 18.28            | 89.62                       | 1,306.02               | 184.83         | 1,649.49                     | 1,573.46                      | 76.02                           | 21.697               |                    |
| 13,100.00                                                  | 10,300.00                   | 10,276.84                   | 10,273.59                   | 59.42               | 18.28            | 89.56                       | 1,306.02               | 184.83         | 1,748.91                     | 1,671.22                      | 77.70                           | 22.510               |                    |
| 13,200.00                                                  | 10,300.00                   | 10,276.63                   | 10,273.38                   | 61.10               | 18.28            | 89.49                       | 1,306.02               | 184.84         | 1,848.40                     | 1,769.02                      | 79.38                           | 23.286               |                    |
| 13,300.00                                                  | 10,300.00                   | 10,276.42                   | 10,273.17                   | 62.79               | 18.28            | 89.42                       | 1,306.02               | 184.84         | 1,947.94                     | 1,866.87                      | 81.07                           | 24.029               |                    |
| 13,400.00                                                  | 10,300.00                   | 10,276.21                   | 10,272.96                   | 64.49               | 18.28            | 89.36                       | 1,306.02               | 184.84         | 2,047.53                     | 1,964.76                      | 82.76                           | 24.739               |                    |
| 13,500.00                                                  | 10,300.00                   | 10,276.00                   | 10,272.75                   | 66.20               | 18.28            | 89.29                       | 1,306.02               | 184.84         | 2,147.15                     | 2,062.68                      | 84.47                           | 25.420               |                    |
| 13,600.00                                                  | 10,300.00                   | 10,275.79                   | 10,272.54                   | 67.91               | 18.28            | 89.23                       | 1,306.02               | 184.85         | 2,246.81                     | 2,160.63                      | 86.18                           | 26.072               |                    |
| 13,700.00                                                  | 10,300.00                   | 10,275.58                   | 10,272.33                   | 69.62               | 18.28            | 89.16                       | 1,306.03               | 184.85         | 2,346.49                     | 2,258.60                      | 87.89                           | 26.698               |                    |
| 13,800.00                                                  | 10,300.00                   | 10,275.36                   | 10,272.12                   | 71.34               | 18.28            | 89.09                       | 1,306.03               | 184.85         | 2,446.21                     | 2,356.60                      | 89.61                           | 27.298               |                    |
| 13,900.00                                                  | 10,300.00                   | 10,275.15                   | 10,271.90                   | 73.07               | 18.28            | 89.02                       | 1,306.03               | 184.85         | 2,545.94                     | 2,454.61                      | 91.33                           | 27.875               |                    |
| 14,000.00                                                  | 10,300.00                   | 10,274.94                   | 10,271.69                   | 74.80               | 18.28            | 88.96                       | 1,306.03               | 184.86         | 2,645.70                     | 2,552.63                      | 93.06                           | 28.429               |                    |
| 14,100.00                                                  | 10,300.00                   | 10,274.72                   | 10,271.48                   | 76.54               | 18.28            | 88.89                       | 1,306.03               | 184.86         | 2,745.47                     | 2,650.67                      | 94.80                           | 28.962               |                    |
| 14,200.00                                                  | 10,300.00                   | 10,274.51                   | 10,271.26                   | 78.28               | 18.28            | 88.82                       | 1,306.03               | 184.86         | 2,845.26                     | 2,748.73                      | 96.53                           | 29.475               |                    |
| 14,300.00                                                  | 10,300.00                   | 10,274.29                   | 10,271.05                   | 80.02               | 18.28            | 88.75                       | 1,306.03               | 184.86         | 2,945.06                     | 2,846.79                      | 98.27                           | 29.969               |                    |
| 14,400.00                                                  | 10,300.00                   | 10,274.08                   | 10,270.83                   | 81.76               | 18.28            | 88.69                       | 1,306.03               | 184.87         | 3,044.88                     | 2,944.86                      | 100.01                          | 30.445               |                    |
| 14,500.00                                                  | 10,300.00                   | 10,273.86                   | 10,270.62                   | 83.51               | 18.28            | 88.62                       | 1,306.03               | 184.87         | 3,144.70                     | 3,042.94                      | 101.76                          | 30.903               |                    |
| 14,600.00                                                  | 10,300.00                   | 10,273.65                   | 10,270.40                   | 85.27               | 18.28            | 88.55                       | 1,306.03               | 184.87         | 3,244.54                     | 3,141.03                      | 103.51                          | 31.346               |                    |
| 14,700.00                                                  | 10,300.00                   | 10,273.43                   | 10,270.18                   | 87.02               | 18.28            | 88.48                       | 1,306.03               | 184.87         | 3,344.39                     | 3,239.13                      | 105.26                          | 31.773               |                    |
| 14,800.00                                                  | 10,300.00                   | 10,273.21                   | 10,269.96                   | 88.78               | 18.28            | 88.41                       | 1,306.03               | 184.88         | 3,444.24                     | 3,337.23                      | 107.01                          | 32.185               |                    |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

## Anticollision Report



|                    |                              |                              |                                   |
|--------------------|------------------------------|------------------------------|-----------------------------------|
| Company:           | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:           | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:    | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:        | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:    | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:        | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore | OH                           | Database:                    | Midland District                  |
| Reference Design:  | Plan #1                      | Offset TVD Reference:        | Offset Datum                      |

| Offset Design North Bell Lake Federal Unit - #3 - OH - OH |                       |                       |                       |                  |               |                       |                                     |                    |                        |                         |                           |                    | Offset Site Error: |
|-----------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|--------------------|------------------------|-------------------------|---------------------------|--------------------|--------------------|
| Survey Program: 100-NS-GYRO-MS                            |                       |                       |                       |                  |               |                       |                                     |                    |                        |                         |                           |                    | 0.00 usft          |
| Reference                                                 | Offset                | Semi Major Axis       |                       | Distance         |               | Warning               |                                     | Offset Well Error: |                        | Offset Well Error:      |                           | Offset Well Error: |                    |
| Measured Depth (usft)                                     | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft)       | Between Centres (usft) | Between Ellipses (usft) | Minimum Separation (usft) | Separation Factor  | Warning            |
| 14,900.00                                                 | 10,300.00             | 10,272.99             | 10,269.74             | 90.54            | 18.28         | 88.34                 | 1,306.03                            | 184.88             | 3,544.11               | 3,435.34                | 108.77                    | 32.584             |                    |
| 15,000.00                                                 | 10,300.00             | 10,272.77             | 10,269.53             | 92.30            | 18.27         | 88.27                 | 1,306.03                            | 184.88             | 3,643.98               | 3,533.45                | 110.53                    | 32.969             |                    |
| 15,100.00                                                 | 10,300.00             | 10,272.55             | 10,269.31             | 94.07            | 18.27         | 88.21                 | 1,306.03                            | 184.88             | 3,743.86               | 3,631.57                | 112.29                    | 33.342             |                    |
| 15,200.00                                                 | 10,300.00             | 10,272.33             | 10,269.08             | 95.83            | 18.27         | 88.14                 | 1,306.03                            | 184.89             | 3,843.74               | 3,729.70                | 114.05                    | 33.703             |                    |
| 15,300.00                                                 | 10,300.00             | 10,272.11             | 10,268.86             | 97.60            | 18.27         | 88.07                 | 1,306.03                            | 184.89             | 3,943.64               | 3,827.82                | 115.81                    | 34.052             |                    |
| 15,400.00                                                 | 10,300.00             | 10,271.89             | 10,268.64             | 99.37            | 18.27         | 88.00                 | 1,306.03                            | 184.89             | 4,043.53               | 3,925.95                | 117.58                    | 34.390             |                    |
| 15,500.00                                                 | 10,300.00             | 10,271.67             | 10,268.42             | 101.15           | 18.27         | 87.93                 | 1,306.03                            | 184.89             | 4,143.43               | 4,024.09                | 119.34                    | 34.718             |                    |
| 15,600.00                                                 | 10,300.00             | 10,271.44             | 10,268.20             | 102.92           | 18.27         | 87.86                 | 1,306.03                            | 184.90             | 4,243.34               | 4,122.23                | 121.11                    | 35.036             |                    |
| 15,700.00                                                 | 10,300.00             | 10,271.22             | 10,267.97             | 104.70           | 18.27         | 87.79                 | 1,306.03                            | 184.90             | 4,343.25               | 4,220.37                | 122.88                    | 35.345             |                    |
| 15,800.00                                                 | 10,300.00             | 10,271.00             | 10,267.75             | 106.47           | 18.27         | 87.72                 | 1,306.03                            | 184.90             | 4,443.16               | 4,318.51                | 124.65                    | 35.644             |                    |
| 15,900.00                                                 | 10,300.00             | 10,270.77             | 10,267.52             | 108.25           | 18.27         | 87.64                 | 1,306.04                            | 184.91             | 4,543.08               | 4,416.66                | 126.42                    | 35.935             |                    |
| 16,000.00                                                 | 10,300.00             | 10,270.54             | 10,267.30             | 110.03           | 18.27         | 87.57                 | 1,306.04                            | 184.91             | 4,643.00               | 4,514.81                | 128.20                    | 36.218             |                    |
| 16,100.00                                                 | 10,300.00             | 10,270.32             | 10,267.07             | 111.81           | 18.27         | 87.50                 | 1,306.04                            | 184.91             | 4,742.93               | 4,612.96                | 129.97                    | 36.492             |                    |
| 16,200.00                                                 | 10,300.00             | 10,270.09             | 10,266.85             | 113.60           | 18.27         | 87.43                 | 1,306.04                            | 184.91             | 4,842.86               | 4,711.11                | 131.75                    | 36.759             |                    |
| 16,300.00                                                 | 10,300.00             | 10,269.86             | 10,266.62             | 115.38           | 18.27         | 87.36                 | 1,306.04                            | 184.92             | 4,942.79               | 4,809.27                | 133.52                    | 37.019             |                    |
| 16,400.00                                                 | 10,300.00             | 10,269.64             | 10,266.39             | 117.17           | 18.27         | 87.29                 | 1,306.04                            | 184.92             | 5,042.72               | 4,907.42                | 135.30                    | 37.271             |                    |
| 16,500.00                                                 | 10,300.00             | 10,269.41             | 10,266.16             | 118.95           | 18.27         | 87.22                 | 1,306.04                            | 184.92             | 5,142.66               | 5,005.58                | 137.07                    | 37.517             |                    |
| 16,600.00                                                 | 10,300.00             | 10,269.18             | 10,265.93             | 120.74           | 18.27         | 87.14                 | 1,306.04                            | 184.92             | 5,242.60               | 5,103.74                | 138.85                    | 37.757             |                    |
| 16,700.00                                                 | 10,300.00             | 10,268.95             | 10,265.70             | 122.53           | 18.27         | 87.07                 | 1,306.04                            | 184.93             | 5,342.54               | 5,201.91                | 140.63                    | 37.990             |                    |
| 16,800.00                                                 | 10,300.00             | 10,268.72             | 10,265.47             | 124.32           | 18.27         | 87.00                 | 1,306.04                            | 184.93             | 5,442.48               | 5,300.07                | 142.41                    | 38.217             |                    |
| 16,900.00                                                 | 10,300.00             | 10,268.49             | 10,265.24             | 126.11           | 18.27         | 86.93                 | 1,306.04                            | 184.93             | 5,542.42               | 5,398.24                | 144.19                    | 38.439             |                    |
| 17,000.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 127.90           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 5,642.37               | 5,512.86                | 129.51                    | 43.566             |                    |
| 17,100.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 129.69           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 5,742.30               | 5,611.19                | 131.11                    | 43.798             |                    |
| 17,200.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 131.48           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 5,842.24               | 5,709.53                | 132.71                    | 44.024             |                    |
| 17,300.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 133.28           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 5,942.17               | 5,807.87                | 134.30                    | 44.245             |                    |
| 17,400.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 135.07           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,042.11               | 5,906.21                | 135.90                    | 44.460             |                    |
| 17,500.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 136.87           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,142.05               | 6,004.55                | 137.50                    | 44.670             |                    |
| 17,600.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 138.66           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,241.99               | 6,102.90                | 139.10                    | 44.875             |                    |
| 17,700.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 140.46           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,341.94               | 6,201.24                | 140.70                    | 45.075             |                    |
| 17,800.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 142.25           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,441.89               | 6,299.59                | 142.30                    | 45.271             |                    |
| 17,900.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 144.05           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,541.83               | 6,397.94                | 143.90                    | 45.462             |                    |
| 18,000.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 145.85           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,641.78               | 6,496.28                | 145.50                    | 45.648             |                    |
| 18,100.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 147.65           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,741.73               | 6,594.63                | 147.10                    | 45.831             |                    |
| 18,200.00                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 149.45           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,841.69               | 6,692.98                | 148.70                    | 46.009             |                    |
| 18,231.11                                                 | 10,300.00             | 10,174.00             | 10,170.76             | 149.91           | 18.08         | 60.17                 | 1,307.00                            | 184.97             | 6,872.78               | 6,723.68                | 149.10                    | 46.094             |                    |

|                            |                              |                                     |                                   |
|----------------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>            | Kaiser - Francis Oil Company | <b>Local Co-ordinate Reference:</b> | Well #262H                        |
| <b>Project:</b>            | Lea Co, NM (Nad 27 NME)      | <b>TVD Reference:</b>               | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Reference Site:</b>     | Bell Lake Unit North         | <b>MD Reference:</b>                | KB=23' @ 3481.00usft (Cactus 170) |
| <b>Site Error:</b>         | 0.00 usft                    | <b>North Reference:</b>             | Grid                              |
| <b>Reference Well:</b>     | #262H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Well Error:</b>         | 0.00 usft                    | <b>Output errors are at:</b>        | 2.00 sigma                        |
| <b>Reference Wellbore:</b> | OH                           | <b>Database:</b>                    | Midland District                  |
| <b>Reference Design:</b>   | Plan #1                      | <b>Offset TVD Reference:</b>        | Offset Datum                      |

Reference Depths are relative to KB=23' @ 3481.00usft (Cactus 170)

Offset Depths are relative to Offset Datum

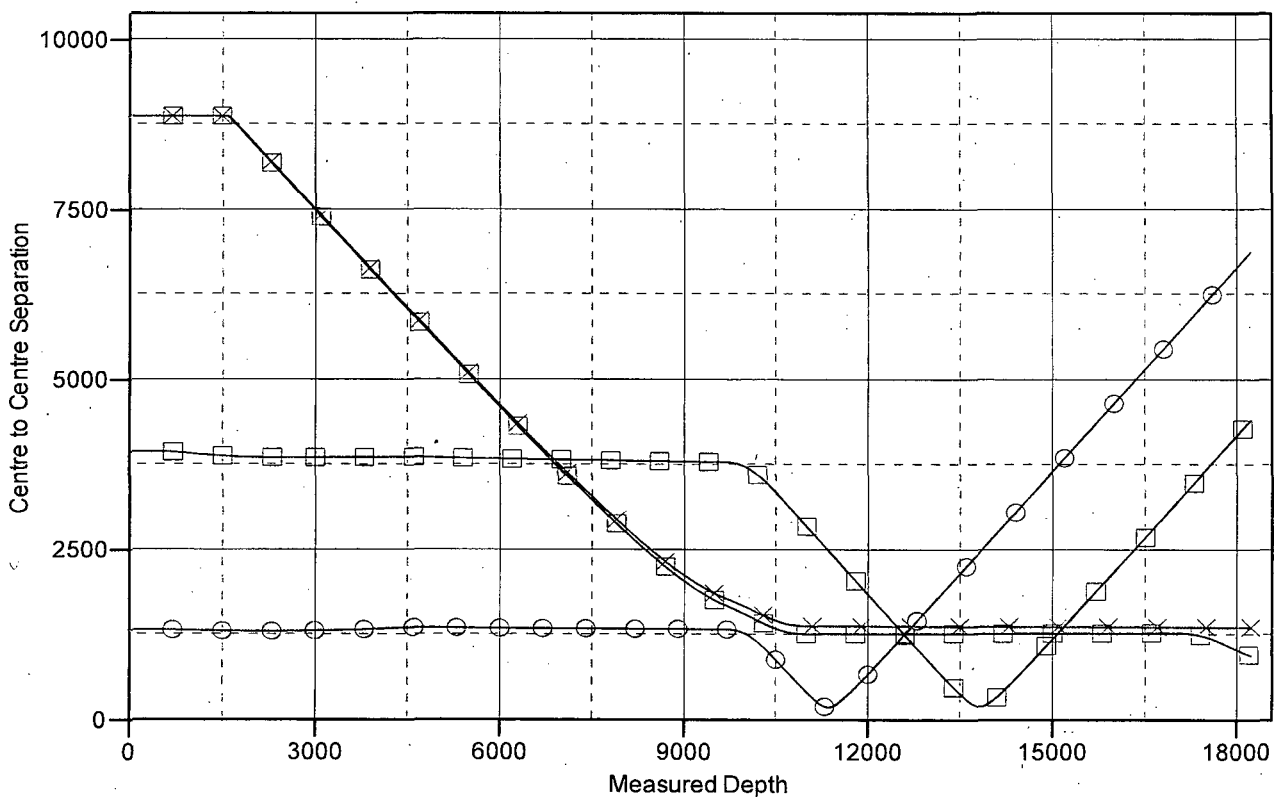
Central Meridian is 104° 20' 0.000 W

Coordinates are relative to: #262H

Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 30

Grid Convergence at Surface is: 0.44°

## Ladder Plot



### LEGEND

- #2H, OH, Plan #1 V0
- #3, OH, OH V0
- ✕ #3H, OH, Plan #1 V0
- Bell Lake Unit #22, Wellbore #1, SDI Gyro V0

|                     |                              |                              |                                   |
|---------------------|------------------------------|------------------------------|-----------------------------------|
| Company:            | Kaiser - Francis Oil Company | Local Co-ordinate Reference: | Well #262H                        |
| Project:            | Lea Co, NM (Nad 27 NME)      | TVD Reference:               | KB=23' @ 3481.00usft (Cactus 170) |
| Reference Site:     | Bell Lake Unit North         | MD Reference:                | KB=23' @ 3481.00usft (Cactus 170) |
| Site Error:         | 0.00 usft                    | North Reference:             | Grid                              |
| Reference Well:     | #262H                        | Survey Calculation Method:   | Minimum Curvature                 |
| Well Error:         | 0.00 usft                    | Output errors are at         | 2.00 sigma                        |
| Reference Wellbore: | OH                           | Database:                    | Midland District                  |
| Reference Design:   | Plan #1                      | Offset, TVD Reference:       | Offset Datum                      |

Reference Depths are relative to KB=23' @ 3481.00usft (Cactus 170)

Offset Depths are relative to Offset Datum

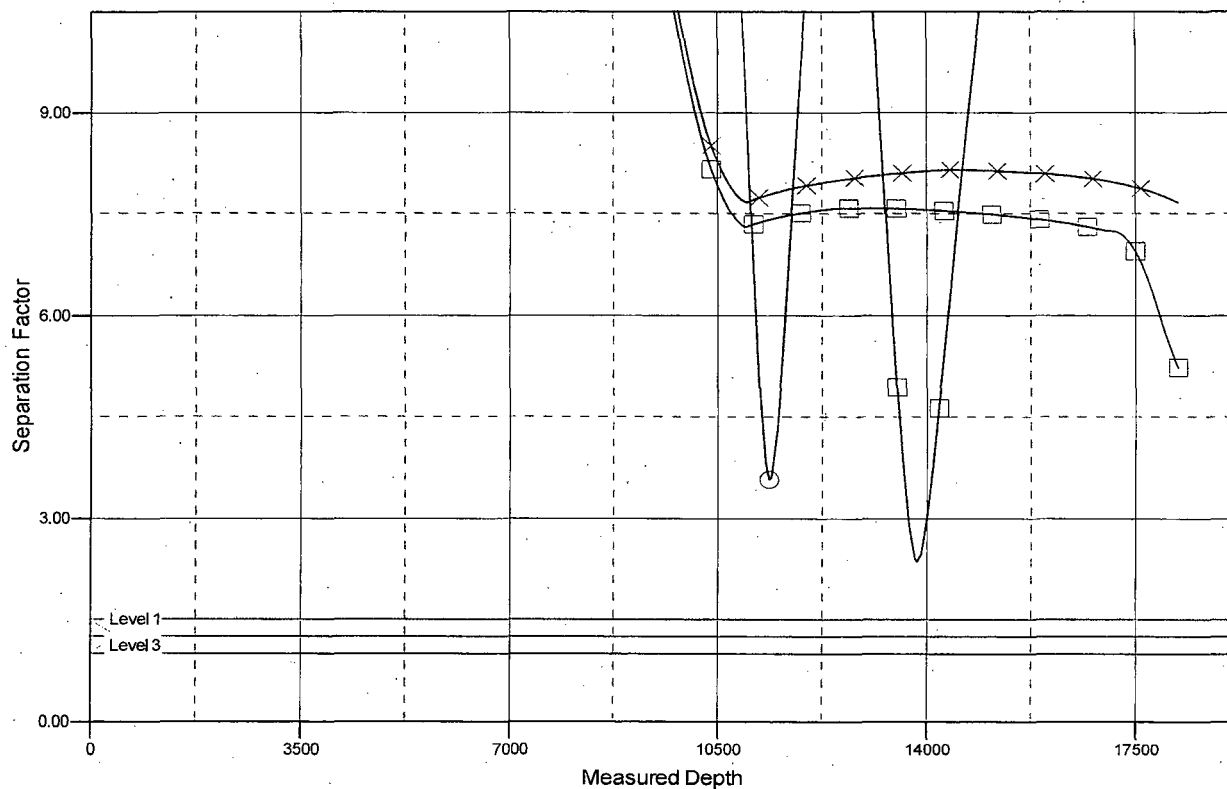
Central Meridian is 104° 20' 0.000 W

Coordinates are relative to: #262H

Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 30

Grid Convergence at Surface is: 0.44°

## Separation Factor Plot



### LEGEND

- #2H, OH, Plan #1 V0
- #3, OH, OH V0
- ✕ #3H, OH, Plan #1 V0
- Bell Lake Unit #22, Wellbore #1, SDI Gyro V0