PECOS DISTRICT
DRILLING OPERATIONS
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Mewbourne Oil Company**
LEASE NO.:	**NMNM-13838**
WELL NAME & NO.:	**IBEX 10 B3MD Fed Com 1H**
SURFACE HOLE FOOTAGE:	**0185' FNL & 0750' FWL**
BOTTOM HOLE FOOTAGE	**0330' FNL & 0500' FWL Sec. 10, T. 23 S., R 34 E.**
LOCATION:	**Section 15, T. 23 S., R 34 E., NMPM**
COUNTY:	**County, New Mexico**

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

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

☐ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 3933612

Communitization Agreement

· The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

· If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.

· In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

A. **Hydrogen Sulfide**

1. A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**

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

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

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

A. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

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

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

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

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

1. The **13-3/8** inch surface casing shall be set at approximately **1425** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. PRESSURE CONTROL

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

2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line

fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. **Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be psi.**
    a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
    b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
    c. **Manufacturer representative shall install the test plug for the initial BOP test.**
    d. **Operator shall perform the 9-5/8" and 7" casing integrity tests to 70% of the casing burst. This will test the multi-bowl seals.**
    e. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**

5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

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

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

b. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

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

d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

C. DRILL STEM TEST

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

D. WASTE MATERIAL AND FLUIDS

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

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

JAM 012918

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mewbourne Oil Co
LEASE NO.:	NM13641
WELL NAME & NO.:	1H – Ibex 10 B3MD Fed Com
SURFACE HOLE FOOTAGE:	185'/N & 750'/W
BOTTOM HOLE FOOTAGE	330'/N & 500'/W, sec. 10
LOCATION:	Section 15, T. 23 S., R. 34 E.
COUNTY:	Lea County, New Mexico

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

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

IV. NOXIOUS WEEDS

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

acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

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

Below Ground-level Abandoned Well Marker to avoid raptor perching:
Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

VI. CONSTRUCTION

A. NOTIFICATION

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

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

B. TOPSOIL

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

be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

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

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

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

F. EXCLOSURE FENCING (CELLARS & PITS)

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

G. ON LEASE ACCESS ROADS

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

Surfacing

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

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

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

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

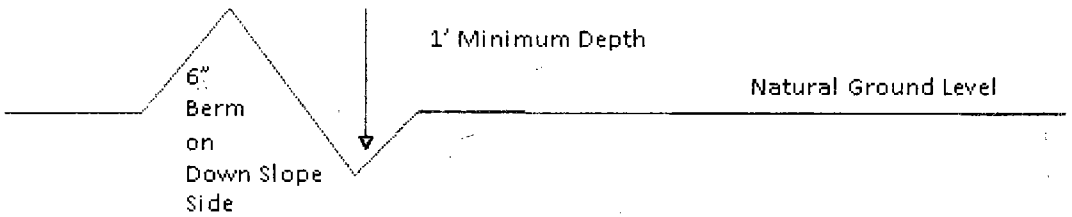
Ditching
Ditching shall be required on both sides of the road.

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

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

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

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

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

Cattle guards

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

Fence Requirement

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

Public Access

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

Construction Steps

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

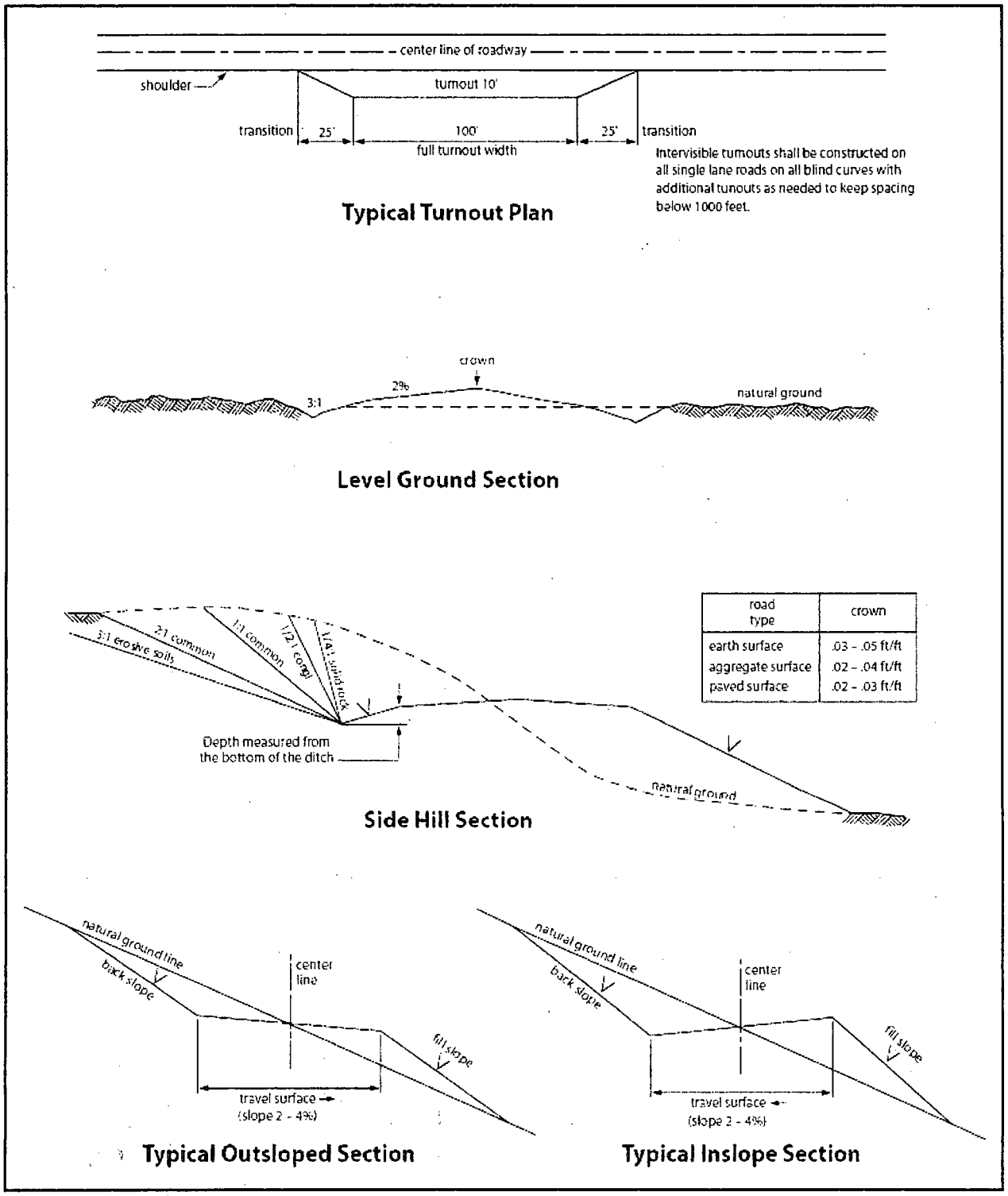


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

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

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

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

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production

equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

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

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

B. Surface Pipelines
STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

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

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

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

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

3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et*

seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

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

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

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

c. Acts of God.

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

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

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

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

right-of-ways.

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

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

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

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

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

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

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

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

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations

in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

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

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

18. Special Stipulations:

a. **Lesser Prairie-Chicken:** Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.

VIII. INTERIM RECLAMATION

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

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

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order

to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

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

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

IX. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

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

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

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

Species	lb/acre
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

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

Hydrogen Sulfide Drilling Operations Plan
Mewbourne Oil Company

1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H2S were found. MOC will have on location and working all H2S safety equipment before the Delaware formation for purposes of safety and insurance requirements.

2. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

1. The hazards and characteristics of hydrogen sulfide gas.
2. The proper use of personal protective equipment and life support systems.
3. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
4. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

1 The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
2 Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
3 The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a know hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the 9 5/8" intermediate casing.

1. Well Control Equipment
   - A. Choke manifold with minimum of one adjustable choke/remote choke.
   - B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
   - C. Auxiliary equipment including annular type blowout preventer.
2. Protective Equipment for Essential Personnel
   Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H2S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H2S are detected the well will be shut in and a rotating head, mud/gas separator, remote choke and flare line with igniter will be installed.

Mewbourne Oil Company, Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL
BHL: 330' FNL & 500' FWL

Casing Program

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
17.5"	0'	1425'	13.375"	48	H40	STC	1.15	2.59	4.71	7.91
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.49	4.54
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	8.98	16.75
12.25"	4393'	4900'	9.625"	40	N80	LTC	1.21	2.26	36.35	45.18
8.75"	0'	11622'	7"	26	HCP110	LTC	1.38	1.76	2.15	2.75
6.125"	10874'	16288'	4.5"	13.5	P110	LTC	1.39	1.62	4.62	5.77
				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h
Must have table for contingency casing

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Is casing API approved? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	Y
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Hydrogen Sulfide Protection and Monitoring Equipment
Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.

4. Visual Warning Systems
A. Wind direction indicators as indicated on the wellsite diagram.
B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. Mud Program

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. Metallurgy

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. Communications

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

7. Well Testing

Drill stem testing is not an anticipated requirement for evaluation of this well. If a drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

8. Emergency Phone Numbers

Eddy County Sheriff's Office	**911 or 575-887-7551**
Ambulance Service	**911 or 575-885-2111**
Carlsbad Fire Dept	**911 or 575-885-2111**
Loco Hills Volunteer Fire Dept.	**911 or 575-677-3266**
Closest Medical Facility - Columbia Medical Center of Carlsbad	**575-492-5000**

Mewbourne Oil Company	**Hobbs District Office**	**575-393-5905**
	Fax	**575-397-6252**
	2nd Fax	**575-393-7259**
District Manager	**Robin Terrell**	**575-390-4816**
Drilling Superintendent	**Frosty Lathan**	**575-390-4103**
	Bradley Bishop	**575-390-6838**
Drilling Foreman	**Wesley Noseff**	**575-441-0729**

Mewbourne Oil Company

Lea County, New Mexico NAD 83
Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL, Sec 15
BHL: 330' FNL & 500' FWL, Sec 10

Plan: Design #1

Standard Planning Report

03 October, 2017

Planning Report

Database:	Hobbs	**Local Co-ordinate Reference:**	Site Ibex 10 B3MD Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	**MD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Site:	Ibex 10 B3MD Fed Com #1H	**North Reference:**	Grid
Well:	Sec 10, T23S, R34E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FNL & 500' FWL, Sec 10		
Design:	Design #1		

Project Lea County, New Mexico NAD 83

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Ibex 10 B3MD Fed Com #1H

Site Position:		**Northing:**	478,101.00 usft	**Latitude:**	32° 18' 40.964 N
From:	Map	**Easting:**	809,889.00 usft	**Longitude:**	103° 27' 50.647 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.46 °

Well Sec 10, T23S, R34E

Well Position	**+N/-S**	0.0 usft	**Northing:**	478,101.00 usft	**Latitude:**	32° 18' 40.964 N
	+E/-W	0.0 usft	**Easting:**	809,889.00 usft	**Longitude:**	103° 27' 50.647 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**	3,427.0 usft	**Ground Level:**	3,400.0 usft

Wellbore BHL: 330' FNL & 500' FWL, Sec 10

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	10/3/2017	6.76	60.12	48,049

Design Design #1

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	356.71

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	

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Project:	Lea County, New Mexico NAD 83	**MD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Site:	Ibex 10 B3MD Fed Com #1H	**North Reference:**	Grid
Well:	Sec 10, T23S, R34E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FNL & 500' FWL, Sec 10		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
SL: 185' FNL & 750' FWL, Sec 15									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	2.00	269.54	5,100.0	0.0	-1.7	0.1	2.00	2.00	0.00
5,124.5	2.49	269.54	5,124.5	0.0	-2.7	0.1	2.00	2.00	0.00

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Site:	Ibex 10 B3MD Fed Com #1H	**North Reference:**	Grid
Well:	Sec 10, T23S, R34E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FNL & 500' FWL, Sec 10		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,200.0	2.49	269.54	5,199.9	0.0	-6.0	0.3	0.00	0.00	0.00
5,300.0	2.49	269.54	5,299.8	-0.1	-10.3	0.5	0.00	0.00	0.00
5,400.0	2.49	269.54	5,399.7	-0.1	-14.7	0.7	0.00	0.00	0.00
5,500.0	2.49	269.54	5,499.6	-0.2	-19.0	0.9	0.00	0.00	0.00
5,600.0	2.49	269.54	5,599.5	-0.2	-23.4	1.2	0.00	0.00	0.00
5,700.0	2.49	269.54	5,699.4	-0.2	-27.7	1.4	0.00	0.00	0.00
5,800.0	2.49	269.54	5,799.3	-0.3	-32.0	1.6	0.00	0.00	0.00
5,900.0	2.49	269.54	5,899.2	-0.3	-36.4	1.8	0.00	0.00	0.00
6,000.0	2.49	269.54	5,999.1	-0.3	-40.7	2.0	0.00	0.00	0.00
6,100.0	2.49	269.54	6,099.0	-0.4	-45.1	2.2	0.00	0.00	0.00
6,200.0	2.49	269.54	6,198.9	-0.4	-49.4	2.4	0.00	0.00	0.00
6,300.0	2.49	269.54	6,298.9	-0.4	-53.8	2.7	0.00	0.00	0.00
6,400.0	2.49	269.54	6,398.8	-0.5	-58.1	2.9	0.00	0.00	0.00
6,500.0	2.49	269.54	6,498.7	-0.5	-62.5	3.1	0.00	0.00	0.00
6,600.0	2.49	269.54	6,598.6	-0.5	-66.8	3.3	0.00	0.00	0.00
6,700.0	2.49	269.54	6,698.5	-0.6	-71.1	3.5	0.00	0.00	0.00
6,800.0	2.49	269.54	6,798.4	-0.6	-75.5	3.7	0.00	0.00	0.00
6,900.0	2.49	269.54	6,898.3	-0.6	-79.8	3.9	0.00	0.00	0.00
7,000.0	2.49	269.54	6,998.2	-0.7	-84.2	4.2	0.00	0.00	0.00
7,100.0	2.49	269.54	7,098.1	-0.7	-88.5	4.4	0.00	0.00	0.00
7,200.0	2.49	269.54	7,198.0	-0.7	-92.9	4.6	0.00	0.00	0.00
7,300.0	2.49	269.54	7,297.9	-0.8	-97.2	4.8	0.00	0.00	0.00
7,400.0	2.49	269.54	7,397.8	-0.8	-101.6	5.0	0.00	0.00	0.00
7,500.0	2.49	269.54	7,497.7	-0.8	-105.9	5.2	0.00	0.00	0.00
7,600.0	2.49	269.54	7,597.6	-0.9	-110.2	5.4	0.00	0.00	0.00
7,700.0	2.49	269.54	7,697.5	-0.9	-114.6	5.7	0.00	0.00	0.00
7,800.0	2.49	269.54	7,797.4	-1.0	-118.9	5.9	0.00	0.00	0.00
7,900.0	2.49	269.54	7,897.3	-1.0	-123.3	6.1	0.00	0.00	0.00
8,000.0	2.49	269.54	7,997.2	-1.0	-127.6	6.3	0.00	0.00	0.00
8,100.0	2.49	269.54	8,097.2	-1.1	-132.0	6.5	0.00	0.00	0.00
8,200.0	2.49	269.54	8,197.1	-1.1	-136.3	6.7	0.00	0.00	0.00
8,300.0	2.49	269.54	8,297.0	-1.1	-140.7	6.9	0.00	0.00	0.00
8,400.0	2.49	269.54	8,396.9	-1.2	-145.0	7.2	0.00	0.00	0.00
8,500.0	2.49	269.54	8,496.8	-1.2	-149.3	7.4	0.00	0.00	0.00
8,600.0	2.49	269.54	8,596.7	-1.2	-153.7	7.6	0.00	0.00	0.00
8,700.0	2.49	269.54	8,696.6	-1.3	-158.0	7.8	0.00	0.00	0.00
8,800.0	2.49	269.54	8,796.5	-1.3	-162.4	8.0	0.00	0.00	0.00
8,900.0	2.49	269.54	8,896.4	-1.3	-166.7	8.2	0.00	0.00	0.00
9,000.0	2.49	269.54	8,996.3	-1.4	-171.1	8.4	0.00	0.00	0.00
9,100.0	2.49	269.54	9,096.2	-1.4	-175.4	8.7	0.00	0.00	0.00
9,200.0	2.49	269.54	9,196.1	-1.4	-179.7	8.9	0.00	0.00	0.00
9,300.0	2.49	269.54	9,296.0	-1.5	-184.1	9.1	0.00	0.00	0.00
9,400.0	2.49	269.54	9,395.9	-1.5	-188.4	9.3	0.00	0.00	0.00
9,500.0	2.49	269.54	9,495.8	-1.5	-192.8	9.5	0.00	0.00	0.00
9,600.0	2.49	269.54	9,595.7	-1.6	-197.1	9.7	0.00	0.00	0.00
9,700.0	2.49	269.54	9,695.6	-1.6	-201.5	10.0	0.00	0.00	0.00
9,800.0	2.49	269.54	9,795.5	-1.6	-205.8	10.2	0.00	0.00	0.00
9,900.0	2.49	269.54	9,895.5	-1.7	-210.2	10.4	0.00	0.00	0.00
10,000.0	2.49	269.54	9,995.4	-1.7	-214.5	10.6	0.00	0.00	0.00
10,100.0	2.49	269.54	10,095.3	-1.8	-218.8	10.8	0.00	0.00	0.00
10,200.0	2.49	269.54	10,195.2	-1.8	-223.2	11.0	0.00	0.00	0.00
10,300.0	2.49	269.54	10,295.1	-1.8	-227.5	11.2	0.00	0.00	0.00
10,400.0	2.49	269.54	10,395.0	-1.9	-231.9	11.5	0.00	0.00	0.00
10,500.0	2.49	269.54	10,494.9	-1.9	-236.2	11.7	0.00	0.00	0.00

Database:	Hobbs	**Local Co-ordinate Reference:**	Site Ibex 10 B3MD Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	**MD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Site:	Ibex 10 B3MD Fed Com #1H	**North Reference:**	Grid
Well:	Sec 10, T23S, R34E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FNL & 500' FWL, Sec 10		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,600.0	2.49	269.54	10,594.8	-1.9	-240.6	11.9	0.00	0.00	0.00
10,700.0	2.49	269.54	10,694.7	-2.0	-244.9	12.1	0.00	0.00	0.00
10,754.9	2.49	269.54	10,749.5	-2.0	-247.3	12.2	0.00	0.00	0.00
10,800.0	1.59	269.54	10,794.6	-2.0	-248.9	12.3	2.00	-2.00	0.00
10,879.4	0.00	0.00	10,874.0	-2.0	-250.0	12.3	2.00	-2.00	0.00
KOP @ 10874'									
10,900.0	2.47	359.50	10,894.6	-1.6	-250.0	12.8	11.99	11.99	0.00
11,000.0	14.45	359.50	10,993.3	13.1	-250.1	27.5	11.99	11.99	0.00
11,100.0	26.44	359.50	11,086.9	48.0	-250.4	62.3	11.99	11.99	0.00
11,200.0	38.42	359.50	11,171.1	101.5	-250.9	115.8	11.99	11.99	0.00
11,300.0	50.41	359.50	11,242.4	171.4	-251.5	185.5	11.99	11.99	0.00
11,400.0	62.39	359.50	11,297.6	254.5	-252.2	268.6	11.99	11.99	0.00
11,500.0	74.38	359.50	11,334.4	347.3	-253.1	361.3	11.99	11.99	0.00
11,600.0	86.36	359.50	11,351.1	445.7	-253.9	459.6	11.99	11.99	0.00
11,622.6	89.08	359.50	11,352.0	468.3	-254.1	482.1	11.99	11.99	0.00
LP: 300' FSL & 500' FWL, Sec 10									
11,638.0	90.92	359.50	11,352.0	483.8	-254.3	497.5	11.99	11.99	0.00
11,668.3	90.92	359.50	11,351.5	514.0	-254.5	527.8	0.00	0.00	0.00
FTP: 330' FSL & 500 FWL, Sec 10									
11,700.0	90.92	359.50	11,351.0	545.7	-254.8	559.4	0.00	0.00	0.00
11,800.0	90.92	359.50	11,349.4	645.7	-255.7	659.3	0.00	0.00	0.00
11,900.0	90.92	359.50	11,347.8	745.7	-256.6	759.2	0.00	0.00	0.00
12,000.0	90.92	359.50	11,346.2	845.6	-257.4	859.0	0.00	0.00	0.00
12,100.0	90.92	359.50	11,344.5	945.6	-258.3	958.9	0.00	0.00	0.00
12,200.0	90.92	359.50	11,342.9	1,045.6	-259.2	1,058.8	0.00	0.00	0.00
12,300.0	90.92	359.50	11,341.3	1,145.6	-260.1	1,158.6	0.00	0.00	0.00
12,400.0	90.92	359.50	11,339.7	1,245.6	-260.9	1,258.5	0.00	0.00	0.00
12,500.0	90.92	359.50	11,338.1	1,345.6	-261.8	1,358.4	0.00	0.00	0.00
12,600.0	90.92	359.50	11,336.5	1,445.5	-262.7	1,458.2	0.00	0.00	0.00
12,700.0	90.92	359.50	11,334.9	1,545.5	-263.6	1,558.1	0.00	0.00	0.00
12,800.0	90.92	359.50	11,333.3	1,645.5	-264.4	1,658.0	0.00	0.00	0.00
12,900.0	90.92	359.50	11,331.6	1,745.5	-265.3	1,757.8	0.00	0.00	0.00
13,000.0	90.92	359.50	11,330.0	1,845.5	-266.2	1,857.7	0.00	0.00	0.00
13,100.0	90.92	359.50	11,328.4	1,945.5	-267.1	1,957.6	0.00	0.00	0.00
13,200.0	90.92	359.50	11,326.8	2,045.4	-267.9	2,057.5	0.00	0.00	0.00
13,300.0	90.92	359.50	11,325.2	2,145.4	-268.8	2,157.3	0.00	0.00	0.00
13,400.0	90.92	359.50	11,323.6	2,245.4	-269.7	2,257.2	0.00	0.00	0.00
13,500.0	90.92	359.50	11,322.0	2,345.4	-270.6	2,357.1	0.00	0.00	0.00
13,600.0	90.92	359.50	11,320.4	2,445.4	-271.4	2,456.9	0.00	0.00	0.00
13,700.0	90.92	359.50	11,318.7	2,545.4	-272.3	2,556.8	0.00	0.00	0.00
13,800.0	90.92	359.50	11,317.1	2,645.3	-273.2	2,656.7	0.00	0.00	0.00
13,900.0	90.92	359.50	11,315.5	2,745.3	-274.1	2,756.5	0.00	0.00	0.00
14,000.0	90.92	359.50	11,313.9	2,845.3	-275.0	2,856.4	0.00	0.00	0.00
14,100.0	90.92	359.50	11,312.3	2,945.3	-275.8	2,956.3	0.00	0.00	0.00
14,200.0	90.92	359.50	11,310.7	3,045.3	-276.7	3,056.1	0.00	0.00	0.00
14,300.0	90.92	359.50	11,309.1	3,145.3	-277.6	3,156.0	0.00	0.00	0.00
14,400.0	90.92	359.50	11,307.5	3,245.2	-278.5	3,255.9	0.00	0.00	0.00
14,500.0	90.92	359.50	11,305.8	3,345.2	-279.3	3,355.7	0.00	0.00	0.00
14,600.0	90.92	359.50	11,304.2	3,445.2	-280.2	3,455.6	0.00	0.00	0.00
14,700.0	90.92	359.50	11,302.6	3,545.2	-281.1	3,555.5	0.00	0.00	0.00
14,800.0	90.92	359.50	11,301.0	3,645.2	-282.0	3,655.4	0.00	0.00	0.00
14,900.0	90.92	359.50	11,299.4	3,745.2	-282.8	3,755.2	0.00	0.00	0.00
15,000.0	90.92	359.50	11,297.8	3,845.1	-283.7	3,855.1	0.00	0.00	0.00

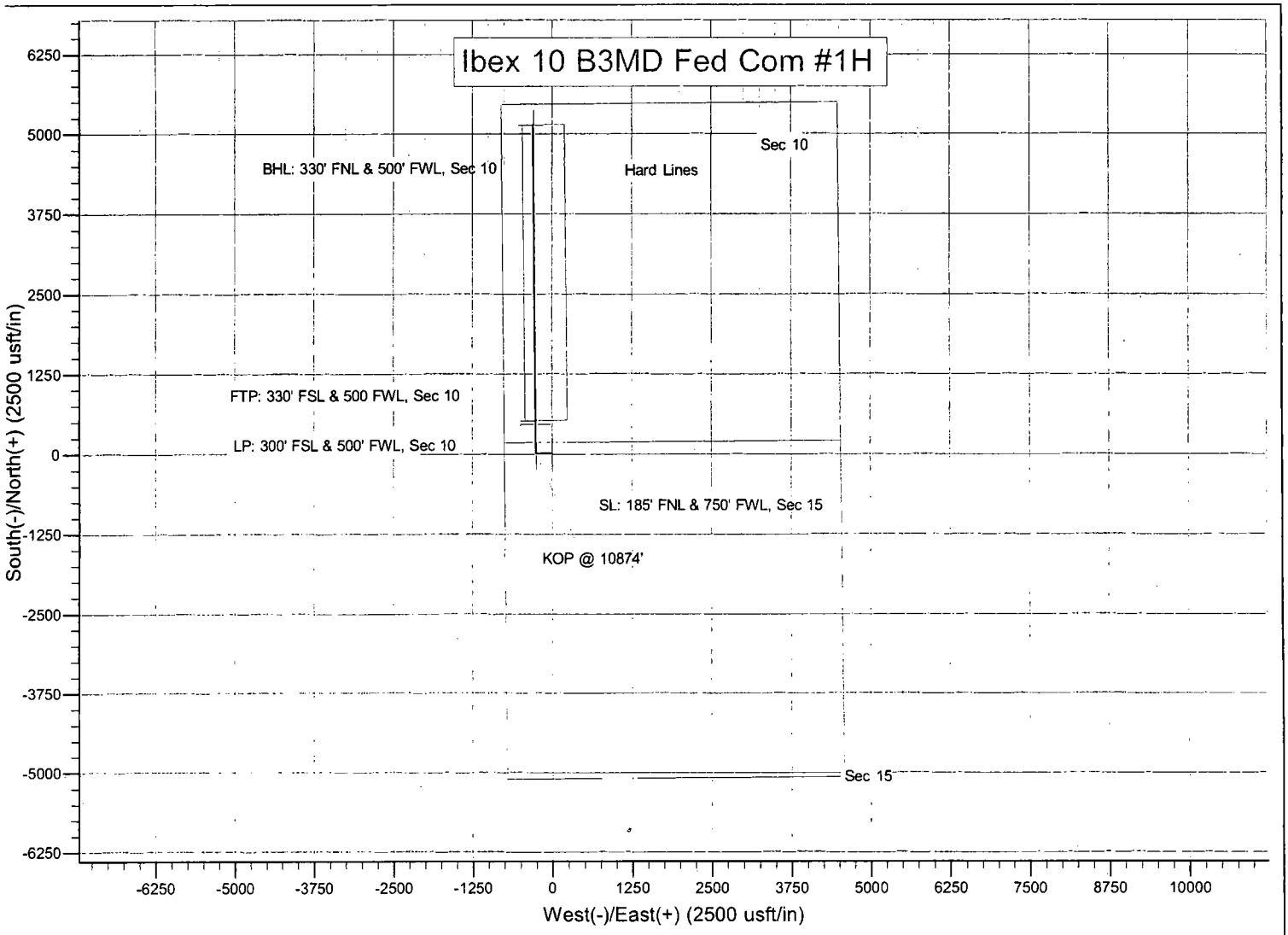
Database:	Hobbs	**Local Co-ordinate Reference:**	Site Ibex 10 B3MD Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	**MD Reference:**	WELL @ 3427.0usft (Original Well Elev)
Site:	Ibex 10 B3MD Fed Com #1H	**North Reference:**	Grid
Well:	Sec 10, T23S, R34E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FNL & 500' FWL, Sec 10		
Design:	Design #1		

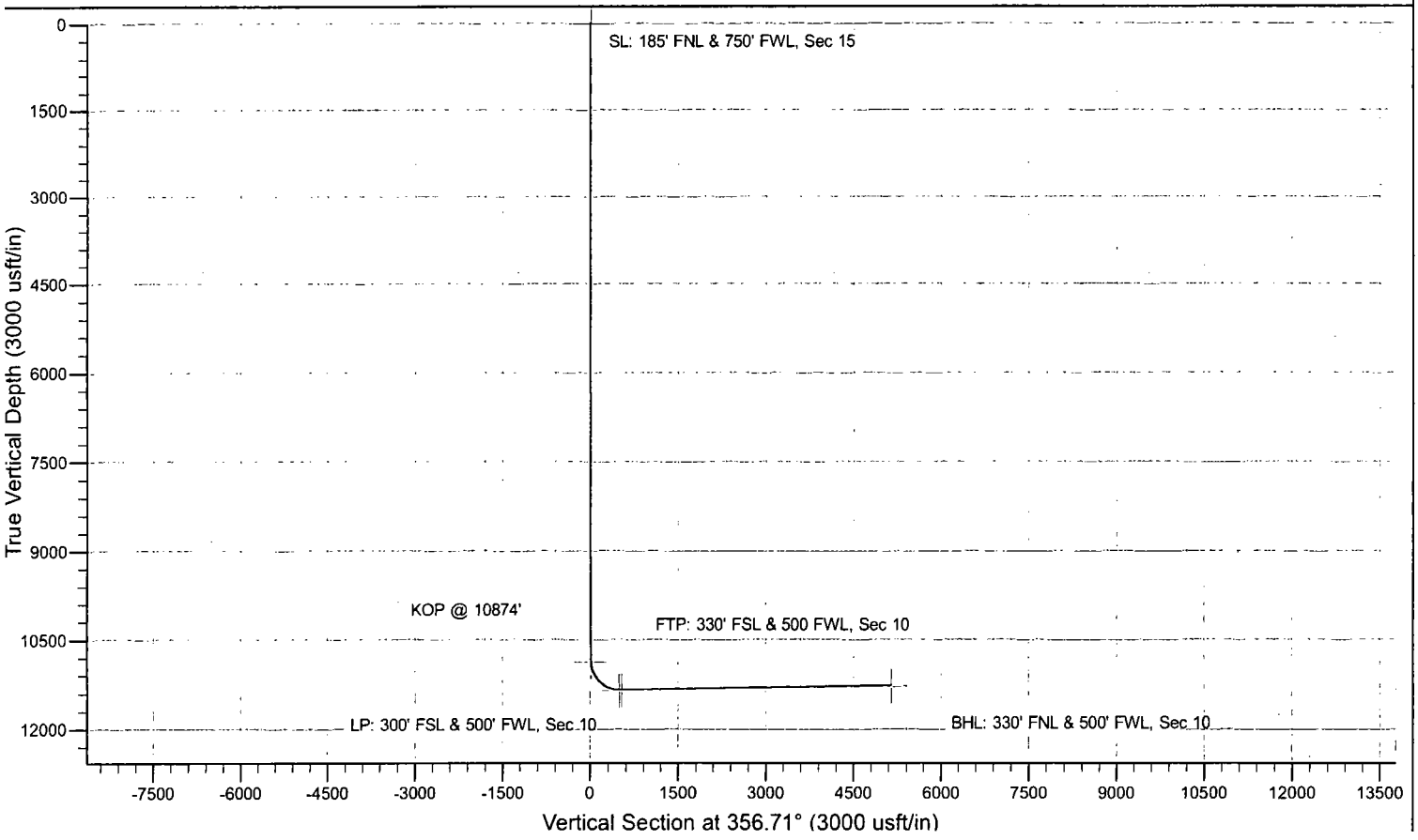
Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
15,100.0	90.92	359.50	11,296.2	3,945.1	-284.6	3,955.0	0.00	0.00	0.00
15,200.0	90.92	359.50	11,294.5	4,045.1	-285.5	4,054.8	0.00	0.00	0.00
15,300.0	90.92	359.50	11,292.9	4,145.1	-286.3	4,154.7	0.00	0.00	0.00
15,400.0	90.92	359.50	11,291.3	4,245.1	-287.2	4,254.6	0.00	0.00	0.00
15,500.0	90.92	359.50	11,289.7	4,345.1	-288.1	4,354.4	0.00	0.00	0.00
15,600.0	90.92	359.50	11,288.1	4,445.0	-289.0	4,454.3	0.00	0.00	0.00
15,700.0	90.92	359.50	11,286.5	4,545.0	-289.8	4,554.2	0.00	0.00	0.00
15,800.0	90.92	359.50	11,284.9	4,645.0	-290.7	4,654.0	0.00	0.00	0.00
15,900.0	90.92	359.50	11,283.3	4,745.0	-291.6	4,753.9	0.00	0.00	0.00
16,000.0	90.92	359.50	11,281.6	4,845.0	-292.5	4,853.8	0.00	0.00	0.00
16,100.0	90.92	359.50	11,280.0	4,945.0	-293.4	4,953.6	0.00	0.00	0.00
16,200.0	90.92	359.50	11,278.4	5,044.9	-294.2	5,053.5	0.00	0.00	0.00
16,288.1	90.92	359.50	11,277.0	5,133.0	-295.0	5,141.5	0.00	0.00	0.00
BHL: 330' FNL & 500' FWL, Sec 10									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SL: 185' FNL & 750' FWI - plan hits target center - Point	0.00	0.00	0.0	0.0	0.0	478,101.00	809,889.00	32° 18' 40.964 N	103° 27' 50.647 W
KOP @ 10874' - plan hits target center - Point	0.00	0.00	10,874.0	-2.0	-250.0	478,099.00	809,639.00	32° 18' 40.965 N	103° 27' 53.560 W
BHL: 330' FNL & 500' FV - plan hits target center - Point	0.00	0.00	11,277.0	5,133.0	-295.0	483,234.00	809,594.00	32° 19' 31.778 N	103° 27' 53.600 W
FTP: 330' FSL & 500 FV - plan hits target center - Point	0.00	0.00	11,351.5	514.0	-254.5	478,615.00	809,634.48	32° 18' 46.071 N	103° 27' 53.564 W
LP: 300' FSL & 500' FWI - plan hits target center - Point	0.00	0.00	11,352.0	468.3	-254.1	478,569.33	809,634.88	32° 18' 45.619 N	103° 27' 53.564 W


Ibex 10 B3MD Fed Com #1H
Sec 10
BHL: 330' FNL & 500' FWL, Sec 10
Hard Lines
FTP: 330' FSL & 500 FWL, Sec 10
LP: 300' FSL & 500' FWL, Sec 10
SL: 185' FNL & 750' FWL, Sec 15
KOP @ 10874'
Sec 15
South(-)/North(+) (2500 usft/in)
West(-)/East(+) (2500 usft/in)


SL: 185' FNL & 750' FWL, Sec 15
KOP @ 10874'
FTP: 330' FSL & 500 FWL, Sec 10
LP: 300' FSL & 500' FWL, Sec 10
BHL: 330' FNL & 500' FWL, Sec 10
True Vertical Depth (3000 usft/in)
Vertical Section at 356.71° (3000 usft/in)

Mewbourne Oil Company, Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL
BHL: 330' FNL & 500' FWL

1. Geologic Formations

TVD of target	11352'	Pilot hole depth	NA
MD at TD:	16288'	Deepest expected fresh water:	325'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler	1350		
Top Salt	1710		
Castile	3531		
Base of Salt	4534		
Seven Rivers		Oil/Gas	
Queen		Oil/Gas	
Grayburg			
Lamar	4974	Oil/Gas	
Bell Canyon	5092	Oil/Gas	
Cherry Canyon	5960	Oil/Gas	
Manzanita Marker	6116		
Brushy Canyon	7150	Oil/Gas	
Bone Spring	8519	Oil/Gas	
1st Bone Spring Sand	9652	Oil/Gas	
2nd Bone Spring Sand	10092	Oil/Gas	
3rd Bone Spring Sand	11075	Target Zone	
Abo			
Wolfcamp			
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

*H2S, water flows, loss of circulation, abnormal pressures, etc.

Mewbourne Oil Company, Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL
BHL: 330' FNL & 500' FWL

2. Casing Program

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
17.5"	0'	1425'	13.375"	48	H40	STC	1.15	2.59	4.71	7.91
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.49	4.54
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	8.98	16.75
12.25"	4393'	4900'	9.625"	40	N80	LTC	1.21	2.26	36.35	45.18
8.75"	0'	11622'	7"	26	HCP110	LTC	1.38	1.76	2.15	2.75
6.125"	10874'	16288'	4.5"	13.5	P110	LTC	1.39	1.62	4.62	5.77
BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet		1.6 Dry 1.8 Wet			

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h
Must have table for contingency casing

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Is casing API approved? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	Y
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

Mewbourne Oil Company, Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL
BHL: 330' FNL & 500' FWL

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	810	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Inter.	840	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Prod.	400	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer + Extender
	400	15.6	1.18	5.2	10	Tail: Class H + Retarder + Fluid Loss + Defoamer
Liner	220	11.2	2.97	17	16	Class C + Salt + Gel + Fluid Loss + Retarder + Dispersant + Defoamer + Anti-Settling Agent

A copy of cement test will be available on location at time of cement job providing pump times, compressive strengths, etc.

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	4700'	25%
Liner	10874'	25%

Mewbourne Oil Company, Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL
BHL: 330' FNL & 500' FWL

4. Pressure Control Equipment

	Variance: None

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Type	✓	Tested to:
12 1/4"	13 5/8"	5M	Annular	X	2500#
			Blind Ram	X	5000#
			Pipe Ram	X	
			Double Ram		
			Other*		

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

X	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
	N Are anchors required by manufacturer?
Y	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. • Provide description here: See attached schematic.

Mewbourne Oil Company, Ibex 10 B3MD Fed Com #1H
Sec 10, T23S, R34E
SL: 185' FNL & 750' FWL
BHL: 330' FNL & 500' FWL

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0'	1425'	FW Gel	8.6-8.8	28-34	N/C
1425'	4900'	Saturated Brine	10.0	28-34	N/C
4900'	10874'	Cut Brine	8.6-9.5	28-34	N/C
10874'	16288'	OBM	9.5-10.0	30-40	<10cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.	
X	Will run GR/CNL from KOP (10874') to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Additional logs planned		Interval
X	Gamma Ray	10874' (KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

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7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5903 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
	H2S is present
X	H2S Plan attached

8. Other facets of operation

Is this a walking operation? If yes, describe.
Will be pre-setting casing? If yes, describe.

Attachments
___ Directional Plan
___ Other, describe