PECOS DISTRICT
DRILLING OPERATIONS
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Kaiser Francis Oil Co
LEASE NO.:	LC0063798
WELL NAME & NO.:	202H – Bell Lake Unit South
SURFACE HOLE FOOTAGE:	2070'/N & 295'/W
BOTTOM HOLE FOOTAGE	330'/S & 1230'/W, sec. 12
LOCATION:	Sec. 1, T. 24 S, R. 33 E
COUNTY:	Lea County

H2S	Yes	No	
Potash	None	Secretary	R-111-P
Cave/Karst Potential	Low	Medium	High
Variance	None	Flex Hose	Other
Wellhead	Conventional	Multibowl	Both
Other	4 String Area	Capitan Reef	WIPP

Commercial Well Determination
The proposed well is not within a participating area. A commercial well determination must be submitted to the BLM Carlsbad Office.

Unit Wells
The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

A. **Hydrogen Sulfide**

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

B. **CASING**

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.

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 will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
d. If cement falls back, remedial cementing will be done prior to drilling out that string.

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

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

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back at least 500 feet into previous casing string. As proposed by operator. Operator shall provide method of verification.
Additional cement may be required – excess calculates to 18%.

C. **PRESSURE CONTROL**

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi. As proposed by operator

GENERAL REQUIREMENTS

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

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

☐ Lea County

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

1. 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.
   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
   - Notify the BLM when moving in and removing the Spudder Rig.
   - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
   - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. 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 are located, this does not include the dog house or stairway area.

3. 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

1. 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.

2. Wait on cement (WOC) for Potash Areas: 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 for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. **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. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. 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.

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

6. 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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. 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.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

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 RP 53 Sec. 17.

2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. 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.

3. 5M or higher 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. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
    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. 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.
    e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

5. 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. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

b. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.

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

d. 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. This test shall be performed prior to the test at full stack pressure.

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

C. DRILLING MUD

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

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.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

EGF 022618

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

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WELL NAME & NO.:	202H – Bell Lake Unit South
SURFACE HOLE FOOTAGE:	2070'/N & 295'/W
BOTTOM HOLE FOOTAGE	330'/S & 1230'/W, sec. 12
LOCATION:	Section 1 T. 24 S., R. 33 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.

Approval Date: 08/23/2018

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)

Hydrology:

Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

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

The BLM Hydrologist worked closely with Kaiser Francis to develop mitigation methods in order to maintain the integrity and minimize impacts to a playa, also known as Jog Tank (livestock and wildlife water source). The northeast corner of the well pad will be clipped 30' on the eastern boundary and 42' on the northern boundary. The eastern portion of the pad will be bermed and the pad will be graded 1° or greater to promote western or southwestern draining as opposed to draining into the feature on the eastern side. Sedimentation runoff controls will be implemented per the Carlsbad Soil and Water District's recommendation. Additionally, the road will tie in via the southeast corner.

VI. CONSTRUCTION

A. NOTIFICATION

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

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

B. TOPSOIL

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

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

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

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

F. EXCLOSURE FENCING (CELLARS & PITS)

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

G. ON LEASE ACCESS ROADS

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

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

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

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

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

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

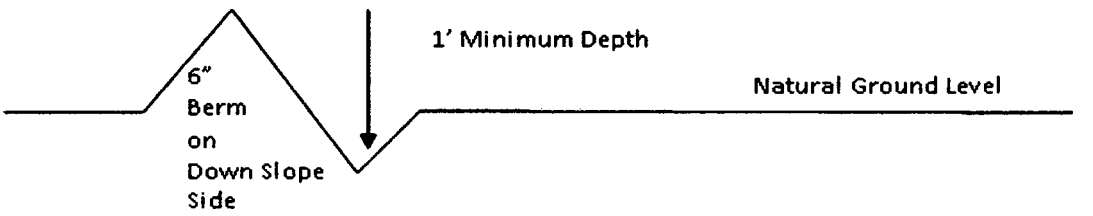
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

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

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

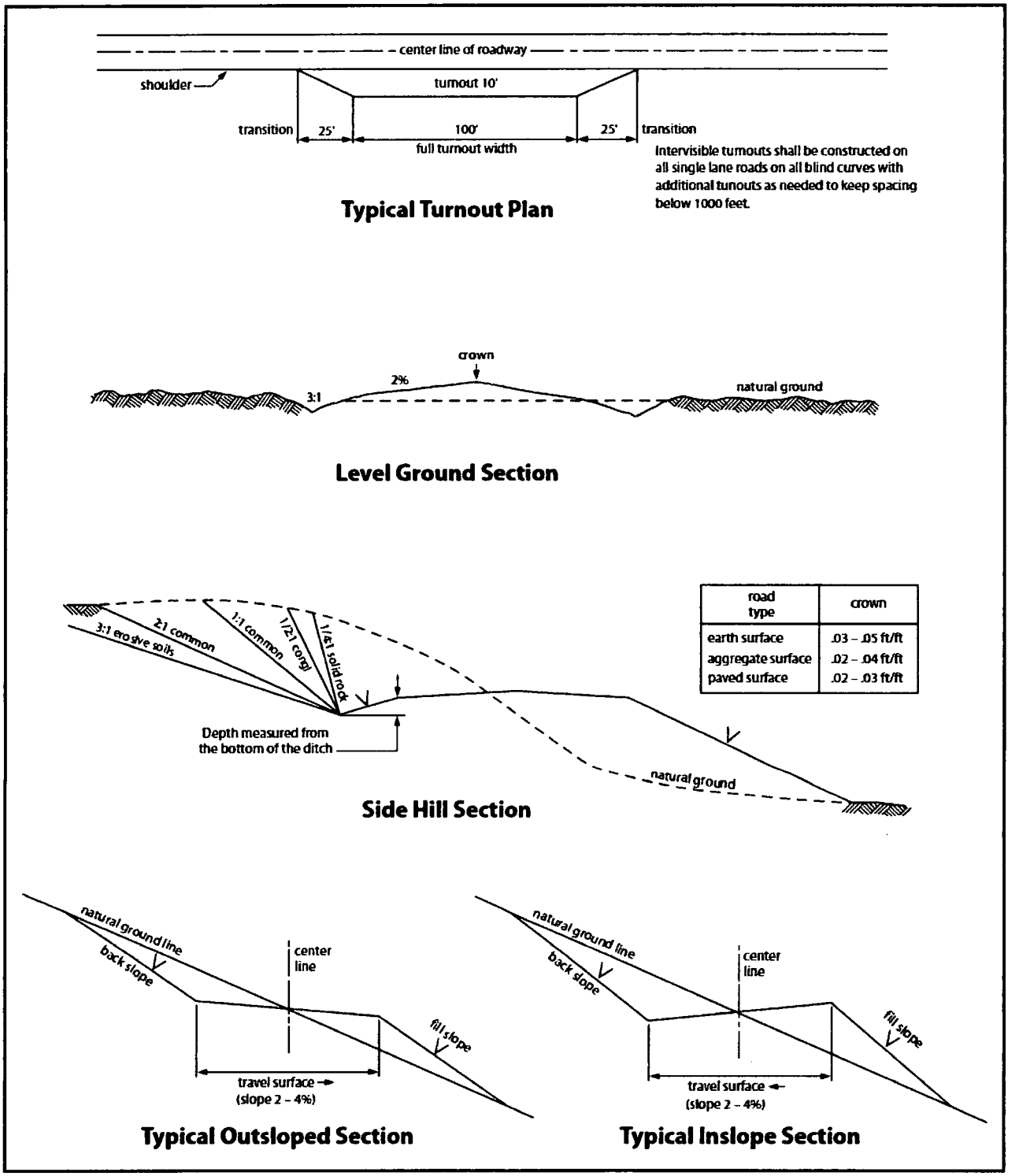


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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).

VIII. INTERIM RECLAMATION

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

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

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

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

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

IX. FINAL ABANDONMENT & RECLAMATION

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

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory

revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

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

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

Seed Mixture 2, for Sandy Sites

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

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

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

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

*Pounds of pure live seed:

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

Kaiser-Francis Oil Company

Kaiser Francis Oil Company
Lea County, NM (NAD 27)
Bell Lake Unit South 202H
Est KB=23'
Design #1

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
KOP BLUS 202H	10227.0	-19.1	944.2	454860.59	748321.61	32° 14' 52.712 N	103° 31' 48.448 W
FTP BLUS 202H (2600' FSL & 1240' FWL Sec 1)	10800.0	-692.1	947.9	454287.50	748325.30	32° 14' 47.042 N	103° 31' 48.456 W
PBHL BLUS 202H (330' FSL & 1230' FWL Sec 12)	10800.0	-8148.1	996.6	446731.50	748374.00	32° 13' 32.269 N	103° 31' 48.546 W

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
1200.0	0.00	0.00	1200.0	0.0	0.0	0.00	0.00	0.0	Start Build 2.00
1528.6	6.57	91.16	1527.8	-0.4	18.8	2.00	91.16	2.7	Start 7923.4 hold at 1528.6 MD
9451.9	6.57	91.16	9399.2	-18.7	926.4	0.00	0.00	130.9	Start Drop -2.00
9780.5	0.00	0.00	9727.0	-19.1	944.2	2.00	180.00	133.6	Start 500.0 hold at 9780.5 MD
10280.5	0.00	0.00	10227.0	-19.1	944.2	0.00	0.00	133.6	Start DLS 10.00 TFO 179.63
11180.5	90.00	179.63	10800.0	-692.1	947.9	10.00	179.63	702.8	Start 7656.2 hold at 11180.5 MD
18736.7	90.00	179.63	10800.0	-8148.1	996.6	0.00	0.00	8208.8	TD at 18736.7

WELL DETAILS: Bell Lake Unit South 202H

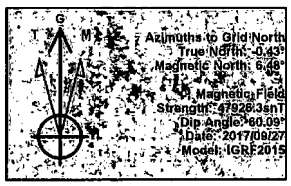
3632.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.0	0.0	454879.70	747377.40	32° 14' 52.971 N	103° 31' 59.440 W

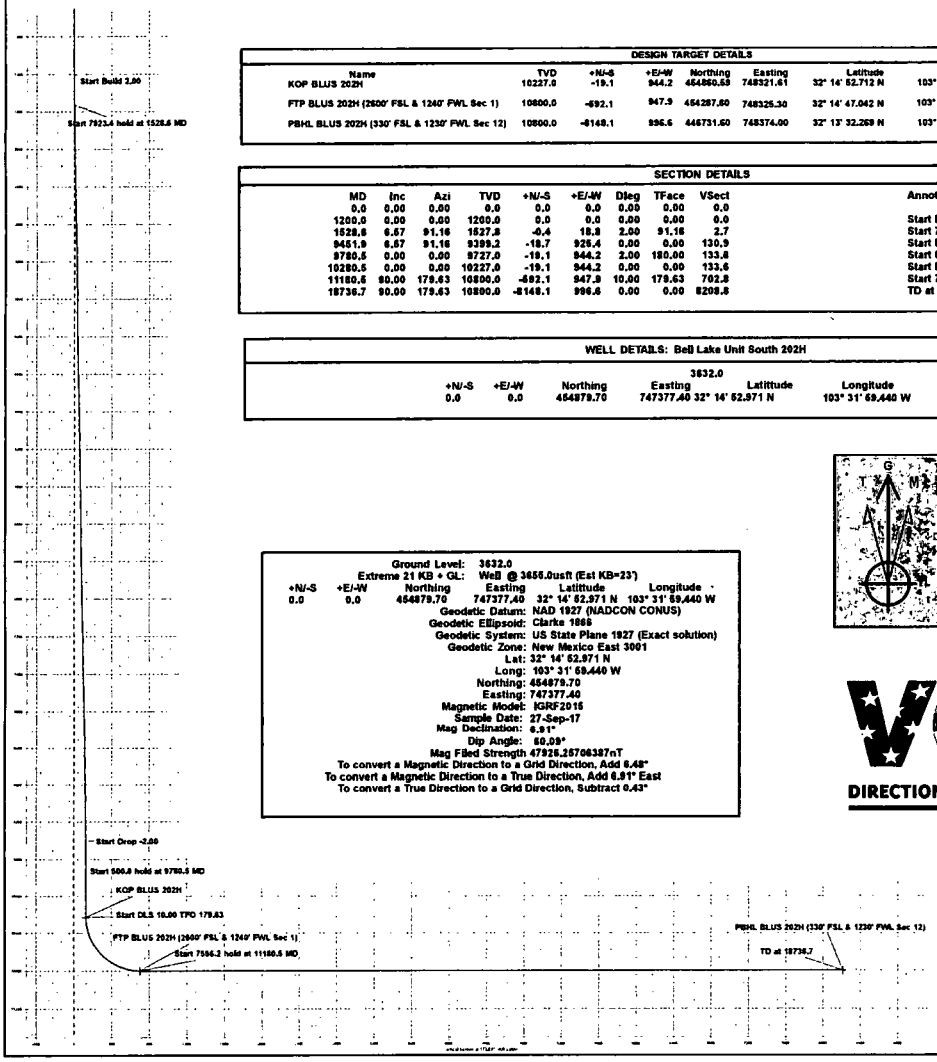
Ground Level: 3632.0
Extreme 21 KB + GL: Well @ 3656.0usft (Est KB=23')

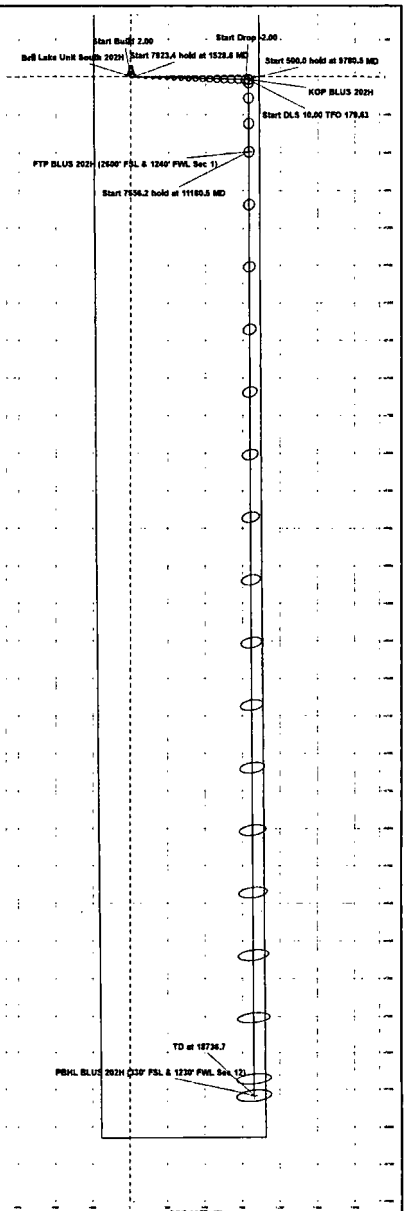
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.0	0.0	454879.70	747377.40	32° 14' 52.971 N	103° 31' 59.440 W

Geodetic Datum: NAD 1927 (NADCON CONUS)
Geodetic Ellipsoid: Clarke 1866
Geodetic System: US State Plane 1927 (Exact solution)
Geodetic Zone: New Mexico East 3001
Lat: 32° 14' 52.971 N
Long: 103° 31' 59.440 W
Northing: 454879.70
Easting: 747377.40
Magnetic Model: IGRF2015
Sample Date: 27-Sep-17
Mag Declination: 6.91°
Dip Angle: 60.09°
Mag Field Strength 47926.25706387nT
To convert a Magnetic Direction to a Grid Direction, Add 6.48°
To convert a Magnetic Direction to a True Direction, Add 6.91° East
To convert a True Direction to a Grid Direction, Subtract 0.43°



VON DIRECTIONAL SERVICES, LLC.





CHARACTERISTICS OF H_2S AND SO_2

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

TRAINING:

All responders must have training in the detection of H_2S measures for protection against the gas, equipment used for protection and emergency response. Weekly drills by all crews will be conducted and recorded in the IADC daily log. Additionally, responders must be equipped with H_2S monitors at all times.

PUBLIC RELATIONS

Kaiser-Francis recognizes that the news media have a legitimate interest in incidents at Kaiser-Francis facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Kaiser-Francis employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

VON

DIRECTIONAL SERVICES, LLC.

Kaiser Francis Oil Company

Lea County, NM (NAD 27)
Bell Lake Unit Pad
Bell Lake Unit South 202H

Wellbore #1

Plan: Design #1

Standard Planning Report

27 September, 2017

Kaiser-Francis Oil Company

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well Bell Lake Unit South 202H
Company:	Kaiser Francis Oil Company	**TVD Reference:**	Well @ 3655.0usft (Est KB=23')
Project:	Lea County, NM (NAD 27)	**MD Reference:**	Well @ 3655.0usft (Est KB=23')
Site:	Bell Lake Unit Pad	**North Reference:**	Grid
Well:	Bell Lake Unit South 202H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project	Lea County, NM (NAD 27)		
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 Pad				
Site Position:		**Northing:**	454,849.70 usft	**Latitude:**	32° 14' 52.674 N
From:	Map	**Easting:**	747,377.60 usft	**Longitude:**	103° 31' 59.440 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.43 °

Well	Bell Lake Unit South 202H				
Well Position	**+N/-S**	30.0 usft	**Northing:**	454,879.70 usft	**Latitude:**	32° 14' 52.971 N
	+E/-W	-0.2 usft	**Easting:**	747,377.40 usft	**Longitude:**	103° 31' 59.440 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**		**Ground Level:**	3,632.0 usft

Wellbore	Wellbore #1			
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2015	2017/09/27	6.91	60.09	47,926.25706387

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	173.03	

Plan Survey Tool Program **Date** 2017/09/27

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.0	18,736.7	Design #1 (Wellbore #1)	MWD	
				OWSG MWD - Standard	

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	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,528.6	6.57	91.16	1,527.8	-0.4	18.8	2.00	2.00	0.00	91.16	
9,451.9	6.57	91.16	9,399.2	-18.7	925.4	0.00	0.00	0.00	0.00	
9,780.5	0.00	0.00	9,727.0	-19.1	944.2	2.00	-2.00	0.00	180.00	
10,280.5	0.00	0.00	10,227.0	-19.1	944.2	0.00	0.00	0.00	0.00	KOP BLUS 202H
11,180.5	90.00	179.63	10,800.0	-592.1	947.9	10.00	10.00	19.96	179.63	
18,736.7	90.00	179.63	10,800.0	-8,148.1	996.6	0.00	0.00	0.00	0.00	PBHL BLUS 202H

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well Bell Lake Unit South 202H
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Project:	Lea County, NM (NAD 27)	**MD Reference:**	Well @ 3655.0usft (Est KB=23')
Site:	Bell Lake Unit Pad	**North Reference:**	Grid
Well:	Bell Lake Unit South 202H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
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
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
Start Build 2.00									
1,300.0	2.00	91.16	1,300.0	0.0	1.7	0.2	2.00	2.00	0.00
1,400.0	4.00	91.16	1,399.8	-0.1	7.0	1.0	2.00	2.00	0.00
1,500.0	6.00	91.16	1,499.5	-0.3	15.7	2.2	2.00	2.00	0.00
1,528.6	6.57	91.16	1,527.8	-0.4	18.8	2.7	2.00	2.00	0.00
Start 7923.4 hold at 1528.6 MD									
1,600.0	6.57	91.16	1,598.8	-0.5	27.0	3.8	0.00	0.00	0.00
1,700.0	6.57	91.16	1,698.2	-0.8	38.4	5.4	0.00	0.00	0.00
1,800.0	6.57	91.16	1,797.5	-1.0	49.9	7.1	0.00	0.00	0.00
1,900.0	6.57	91.16	1,896.8	-1.2	61.3	8.7	0.00	0.00	0.00
2,000.0	6.57	91.16	1,996.2	-1.5	72.8	10.3	0.00	0.00	0.00
2,100.0	6.57	91.16	2,095.5	-1.7	84.2	11.9	0.00	0.00	0.00
2,200.0	6.57	91.16	2,194.9	-1.9	95.6	13.5	0.00	0.00	0.00
2,300.0	6.57	91.16	2,294.2	-2.2	107.1	15.2	0.00	0.00	0.00
2,400.0	6.57	91.16	2,393.6	-2.4	118.5	16.8	0.00	0.00	0.00
2,500.0	6.57	91.16	2,492.9	-2.6	130.0	18.4	0.00	0.00	0.00
2,600.0	6.57	91.16	2,592.2	-2.9	141.4	20.0	0.00	0.00	0.00
2,700.0	6.57	91.16	2,691.6	-3.1	152.8	21.6	0.00	0.00	0.00
2,800.0	6.57	91.16	2,790.9	-3.3	164.3	23.2	0.00	0.00	0.00
2,900.0	6.57	91.16	2,890.3	-3.6	175.7	24.9	0.00	0.00	0.00
3,000.0	6.57	91.16	2,989.6	-3.8	187.2	26.5	0.00	0.00	0.00
3,100.0	6.57	91.16	3,089.0	-4.0	198.6	28.1	0.00	0.00	0.00
3,200.0	6.57	91.16	3,188.3	-4.3	210.1	29.7	0.00	0.00	0.00
3,300.0	6.57	91.16	3,287.6	-4.5	221.5	31.3	0.00	0.00	0.00
3,400.0	6.57	91.16	3,387.0	-4.7	232.9	33.0	0.00	0.00	0.00
3,500.0	6.57	91.16	3,486.3	-4.9	244.4	34.6	0.00	0.00	0.00
3,600.0	6.57	91.16	3,585.7	-5.2	255.8	36.2	0.00	0.00	0.00
3,700.0	6.57	91.16	3,685.0	-5.4	267.3	37.8	0.00	0.00	0.00
3,800.0	6.57	91.16	3,784.4	-5.6	278.7	39.4	0.00	0.00	0.00
3,900.0	6.57	91.16	3,883.7	-5.9	290.2	41.1	0.00	0.00	0.00
4,000.0	6.57	91.16	3,983.0	-6.1	301.6	42.7	0.00	0.00	0.00
4,100.0	6.57	91.16	4,082.4	-6.3	313.0	44.3	0.00	0.00	0.00
4,200.0	6.57	91.16	4,181.7	-6.6	324.5	45.9	0.00	0.00	0.00
4,300.0	6.57	91.16	4,281.1	-6.8	335.9	47.5	0.00	0.00	0.00
4,400.0	6.57	91.16	4,380.4	-7.0	347.4	49.2	0.00	0.00	0.00
4,500.0	6.57	91.16	4,479.8	-7.3	358.8	50.8	0.00	0.00	0.00
4,600.0	6.57	91.16	4,579.1	-7.5	370.2	52.4	0.00	0.00	0.00
4,700.0	6.57	91.16	4,678.4	-7.7	381.7	54.0	0.00	0.00	0.00
4,800.0	6.57	91.16	4,777.8	-8.0	393.1	55.6	0.00	0.00	0.00
4,900.0	6.57	91.16	4,877.1	-8.2	404.6	57.2	0.00	0.00	0.00

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well Bell Lake Unit South 202H
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Site:	Bell Lake Unit Pad	**North Reference:**	Grid
Well:	Bell Lake Unit South 202H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
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)
5,000.0	6.57	91.16	4,976.5	-8.4	416.0	58.9	0.00	0.00	0.00
5,100.0	6.57	91.16	5,075.8	-8.7	427.5	60.5	0.00	0.00	0.00
5,200.0	6.57	91.16	5,175.2	-8.9	438.9	62.1	0.00	0.00	0.00
5,300.0	6.57	91.16	5,274.5	-9.1	450.3	63.7	0.00	0.00	0.00
5,400.0	6.57	91.16	5,373.8	-9.3	461.8	65.3	0.00	0.00	0.00
5,500.0	6.57	91.16	5,473.2	-9.6	473.2	67.0	0.00	0.00	0.00
5,600.0	6.57	91.16	5,572.5	-9.8	484.7	68.6	0.00	0.00	0.00
5,700.0	6.57	91.16	5,671.9	-10.0	496.1	70.2	0.00	0.00	0.00
5,800.0	6.57	91.16	5,771.2	-10.3	507.5	71.8	0.00	0.00	0.00
5,900.0	6.57	91.16	5,870.6	-10.5	519.0	73.4	0.00	0.00	0.00
6,000.0	6.57	91.16	5,969.9	-10.7	530.4	75.1	0.00	0.00	0.00
6,100.0	6.57	91.16	6,069.2	-11.0	541.9	76.7	0.00	0.00	0.00
6,200.0	6.57	91.16	6,168.6	-11.2	553.3	78.3	0.00	0.00	0.00
6,300.0	6.57	91.16	6,267.9	-11.4	564.8	79.9	0.00	0.00	0.00
6,400.0	6.57	91.16	6,367.3	-11.7	576.2	81.5	0.00	0.00	0.00
6,500.0	6.57	91.16	6,466.6	-11.9	587.6	83.1	0.00	0.00	0.00
6,600.0	6.57	91.16	6,566.0	-12.1	599.1	84.8	0.00	0.00	0.00
6,700.0	6.57	91.16	6,665.3	-12.4	610.5	86.4	0.00	0.00	0.00
6,800.0	6.57	91.16	6,764.6	-12.6	622.0	88.0	0.00	0.00	0.00
6,900.0	6.57	91.16	6,864.0	-12.8	633.4	89.6	0.00	0.00	0.00
7,000.0	6.57	91.16	6,963.3	-13.1	644.8	91.2	0.00	0.00	0.00
7,100.0	6.57	91.16	7,062.7	-13.3	656.3	92.9	0.00	0.00	0.00
7,200.0	6.57	91.16	7,162.0	-13.5	667.7	94.5	0.00	0.00	0.00
7,300.0	6.57	91.16	7,261.4	-13.7	679.2	96.1	0.00	0.00	0.00
7,400.0	6.57	91.16	7,360.7	-14.0	690.6	97.7	0.00	0.00	0.00
7,500.0	6.57	91.16	7,460.0	-14.2	702.1	99.3	0.00	0.00	0.00
7,600.0	6.57	91.16	7,559.4	-14.4	713.5	101.0	0.00	0.00	0.00
7,700.0	6.57	91.16	7,658.7	-14.7	724.9	102.6	0.00	0.00	0.00
7,800.0	6.57	91.16	7,758.1	-14.9	736.4	104.2	0.00	0.00	0.00
7,900.0	6.57	91.16	7,857.4	-15.1	747.8	105.8	0.00	0.00	0.00
8,000.0	6.57	91.16	7,956.8	-15.4	759.3	107.4	0.00	0.00	0.00
8,100.0	6.57	91.16	8,056.1	-15.6	770.7	109.1	0.00	0.00	0.00
8,200.0	6.57	91.16	8,155.4	-15.8	782.1	110.7	0.00	0.00	0.00
8,300.0	6.57	91.16	8,254.8	-16.1	793.6	112.3	0.00	0.00	0.00
8,400.0	6.57	91.16	8,354.1	-16.3	805.0	113.9	0.00	0.00	0.00
8,500.0	6.57	91.16	8,453.5	-16.5	816.5	115.5	0.00	0.00	0.00
8,600.0	6.57	91.16	8,552.8	-16.8	827.9	117.1	0.00	0.00	0.00
8,700.0	6.57	91.16	8,652.2	-17.0	839.4	118.8	0.00	0.00	0.00
8,800.0	6.57	91.16	8,751.5	-17.2	850.8	120.4	0.00	0.00	0.00
8,900.0	6.57	91.16	8,850.8	-17.5	862.2	122.0	0.00	0.00	0.00
9,000.0	6.57	91.16	8,950.2	-17.7	873.7	123.6	0.00	0.00	0.00
9,100.0	6.57	91.16	9,049.5	-17.9	885.1	125.2	0.00	0.00	0.00
9,200.0	6.57	91.16	9,148.9	-18.1	896.6	126.9	0.00	0.00	0.00
9,300.0	6.57	91.16	9,248.2	-18.4	908.0	128.5	0.00	0.00	0.00
9,400.0	6.57	91.16	9,347.6	-18.6	919.4	130.1	0.00	0.00	0.00
9,451.9	6.57	91.16	9,399.2	-18.7	925.4	130.9	0.00	0.00	0.00
Start Drop -2.00									
9,500.0	5.61	91.16	9,447.0	-18.8	930.5	131.7	2.00	-2.00	0.00
9,600.0	3.61	91.16	9,546.6	-19.0	938.5	132.8	2.00	-2.00	0.00
9,700.0	1.61	91.16	9,646.5	-19.1	943.1	133.4	2.00	-2.00	0.00
9,780.5	0.00	0.00	9,727.0	-19.1	944.2	133.6	2.00	-2.00	0.00
Start 500.0 hold at 9780.5 MD									
9,800.0	0.00	0.00	9,746.5	-19.1	944.2	133.6	0.00	0.00	0.00
9,900.0	0.00	0.00	9,846.5	-19.1	944.2	133.6	0.00	0.00	0.00

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Site:	Bell Lake Unit Pad	**North Reference:**	Grid
Well:	Bell Lake Unit South 202H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
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)
10,000.0	0.00	0.00	9,946.5	-19.1	944.2	133.6	0.00	0.00	0.00
10,100.0	0.00	0.00	10,046.5	-19.1	944.2	133.6	0.00	0.00	0.00
10,200.0	0.00	0.00	10,146.5	-19.1	944.2	133.6	0.00	0.00	0.00
10,280.5	0.00	0.00	10,227.0	-19.1	944.2	133.6	0.00	0.00	0.00
Start DLS 10.00 TFO 179.63									
10,300.0	1.95	179.63	10,246.5	-19.4	944.2	133.9	10.00	10.00	0.00
10,400.0	11.95	179.63	10,345.6	-31.5	944.3	145.9	10.00	10.00	0.00
10,500.0	21.95	179.63	10,441.2	-60.6	944.5	174.9	10.00	10.00	0.00
10,600.0	31.95	179.63	10,530.2	-105.9	944.8	219.8	10.00	10.00	0.00
10,700.0	41.95	179.63	10,610.0	-165.9	945.2	279.5	10.00	10.00	0.00
10,800.0	51.95	179.63	10,678.2	-238.9	945.6	352.0	10.00	10.00	0.00
10,900.0	61.95	179.63	10,732.7	-322.6	946.2	435.1	10.00	10.00	0.00
11,000.0	71.95	179.63	10,771.8	-414.5	946.8	526.4	10.00	10.00	0.00
11,100.0	81.95	179.63	10,794.3	-511.8	947.4	623.1	10.00	10.00	0.00
11,180.5	90.00	179.63	10,800.0	-592.1	947.9	702.8	10.00	10.00	0.00
Start 7556.2 hold at 11180.5 MD									
11,200.0	90.00	179.63	10,800.0	-611.6	948.0	722.1	0.00	0.00	0.00
11,300.0	90.00	179.63	10,800.0	-711.6	948.7	821.5	0.00	0.00	0.00
11,400.0	90.00	179.63	10,800.0	-811.6	949.3	920.8	0.00	0.00	0.00
11,500.0	90.00	179.63	10,800.0	-911.6	950.0	1,020.1	0.00	0.00	0.00
11,600.0	90.00	179.63	10,800.0	-1,011.6	950.6	1,119.5	0.00	0.00	0.00
11,700.0	90.00	179.63	10,800.0	-1,111.6	951.2	1,218.8	0.00	0.00	0.00
11,800.0	90.00	179.63	10,800.0	-1,211.5	951.9	1,318.2	0.00	0.00	0.00
11,900.0	90.00	179.63	10,800.0	-1,311.5	952.5	1,417.5	0.00	0.00	0.00
12,000.0	90.00	179.63	10,800.0	-1,411.5	953.2	1,516.8	0.00	0.00	0.00
12,100.0	90.00	179.63	10,800.0	-1,511.5	953.8	1,616.2	0.00	0.00	0.00
12,200.0	90.00	179.63	10,800.0	-1,611.5	954.5	1,715.5	0.00	0.00	0.00
12,300.0	90.00	179.63	10,800.0	-1,711.5	955.1	1,814.8	0.00	0.00	0.00
12,400.0	90.00	179.63	10,800.0	-1,811.5	955.8	1,914.2	0.00	0.00	0.00
12,500.0	90.00	179.63	10,800.0	-1,911.5	956.4	2,013.5	0.00	0.00	0.00
12,600.0	90.00	179.63	10,800.0	-2,011.5	957.0	2,112.8	0.00	0.00	0.00
12,700.0	90.00	179.63	10,800.0	-2,111.5	957.7	2,212.2	0.00	0.00	0.00
12,800.0	90.00	179.63	10,800.0	-2,211.5	958.3	2,311.5	0.00	0.00	0.00
12,900.0	90.00	179.63	10,800.0	-2,311.5	959.0	2,410.9	0.00	0.00	0.00
13,000.0	90.00	179.63	10,800.0	-2,411.5	959.6	2,510.2	0.00	0.00	0.00
13,100.0	90.00	179.63	10,800.0	-2,511.5	960.3	2,609.5	0.00	0.00	0.00
13,200.0	90.00	179.63	10,800.0	-2,611.5	960.9	2,708.9	0.00	0.00	0.00
13,300.0	90.00	179.63	10,800.0	-2,711.5	961.6	2,808.2	0.00	0.00	0.00
13,400.0	90.00	179.63	10,800.0	-2,811.5	962.2	2,907.5	0.00	0.00	0.00
13,500.0	90.00	179.63	10,800.0	-2,911.5	962.8	3,006.9	0.00	0.00	0.00
13,600.0	90.00	179.63	10,800.0	-3,011.5	963.5	3,106.2	0.00	0.00	0.00
13,700.0	90.00	179.63	10,800.0	-3,111.5	964.1	3,205.5	0.00	0.00	0.00
13,800.0	90.00	179.63	10,800.0	-3,211.5	964.8	3,304.9	0.00	0.00	0.00
13,900.0	90.00	179.63	10,800.0	-3,311.5	965.4	3,404.2	0.00	0.00	0.00
14,000.0	90.00	179.63	10,800.0	-3,411.5	966.1	3,503.6	0.00	0.00	0.00
14,100.0	90.00	179.63	10,800.0	-3,511.5	966.7	3,602.9	0.00	0.00	0.00
14,200.0	90.00	179.63	10,800.0	-3,611.5	967.4	3,702.2	0.00	0.00	0.00
14,300.0	90.00	179.63	10,800.0	-3,711.5	968.0	3,801.6	0.00	0.00	0.00
14,400.0	90.00	179.63	10,800.0	-3,811.5	968.6	3,900.9	0.00	0.00	0.00
14,500.0	90.00	179.63	10,800.0	-3,911.5	969.3	4,000.2	0.00	0.00	0.00
14,600.0	90.00	179.63	10,800.0	-4,011.5	969.9	4,099.6	0.00	0.00	0.00
14,700.0	90.00	179.63	10,800.0	-4,111.5	970.6	4,198.9	0.00	0.00	0.00
14,800.0	90.00	179.63	10,800.0	-4,211.5	971.2	4,298.2	0.00	0.00	0.00
14,900.0	90.00	179.63	10,800.0	-4,311.5	971.9	4,397.6	0.00	0.00	0.00

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well Bell Lake Unit South 202H
Company:	Kaiser Francis Oil Company	**TVD Reference:**	Well @ 3655.0usft (Est KB=23')
Project:	Lea County, NM (NAD 27)	**MD Reference:**	Well @ 3655.0usft (Est KB=23')
Site:	Bell Lake Unit Pad	**North Reference:**	Grid
Well:	Bell Lake Unit South 202H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
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)
15,000.0	90.00	179.63	10,800.0	-4,411.5	972.5	4,496.9	0.00	0.00	0.00
15,100.0	90.00	179.63	10,800.0	-4,511.5	973.2	4,596.3	0.00	0.00	0.00
15,200.0	90.00	179.63	10,800.0	-4,611.5	973.8	4,695.6	0.00	0.00	0.00
15,300.0	90.00	179.63	10,800.0	-4,711.5	974.5	4,794.9	0.00	0.00	0.00
15,400.0	90.00	179.63	10,800.0	-4,811.5	975.1	4,894.3	0.00	0.00	0.00
15,500.0	90.00	179.63	10,800.0	-4,911.5	975.7	4,993.6	0.00	0.00	0.00
15,600.0	90.00	179.63	10,800.0	-5,011.5	976.4	5,092.9	0.00	0.00	0.00
15,700.0	90.00	179.63	10,800.0	-5,111.5	977.0	5,192.3	0.00	0.00	0.00
15,800.0	90.00	179.63	10,800.0	-5,211.5	977.7	5,291.6	0.00	0.00	0.00
15,900.0	90.00	179.63	10,800.0	-5,311.5	978.3	5,390.9	0.00	0.00	0.00
16,000.0	90.00	179.63	10,800.0	-5,411.5	979.0	5,490.3	0.00	0.00	0.00
16,100.0	90.00	179.63	10,800.0	-5,511.5	979.6	5,589.6	0.00	0.00	0.00
16,200.0	90.00	179.63	10,800.0	-5,611.5	980.3	5,689.0	0.00	0.00	0.00
16,300.0	90.00	179.63	10,800.0	-5,711.5	980.9	5,788.3	0.00	0.00	0.00
16,400.0	90.00	179.63	10,800.0	-5,811.5	981.5	5,887.6	0.00	0.00	0.00
16,500.0	90.00	179.63	10,800.0	-5,911.5	982.2	5,987.0	0.00	0.00	0.00
16,600.0	90.00	179.63	10,800.0	-6,011.4	982.8	6,086.3	0.00	0.00	0.00
16,700.0	90.00	179.63	10,800.0	-6,111.4	983.5	6,185.6	0.00	0.00	0.00
16,800.0	90.00	179.63	10,800.0	-6,211.4	984.1	6,285.0	0.00	0.00	0.00
16,900.0	90.00	179.63	10,800.0	-6,311.4	984.8	6,384.3	0.00	0.00	0.00
17,000.0	90.00	179.63	10,800.0	-6,411.4	985.4	6,483.6	0.00	0.00	0.00
17,100.0	90.00	179.63	10,800.0	-6,511.4	986.1	6,583.0	0.00	0.00	0.00
17,200.0	90.00	179.63	10,800.0	-6,611.4	986.7	6,682.3	0.00	0.00	0.00
17,300.0	90.00	179.63	10,800.0	-6,711.4	987.3	6,781.7	0.00	0.00	0.00
17,400.0	90.00	179.63	10,800.0	-6,811.4	988.0	6,881.0	0.00	0.00	0.00
17,500.0	90.00	179.63	10,800.0	-6,911.4	988.6	6,980.3	0.00	0.00	0.00
17,600.0	90.00	179.63	10,800.0	-7,011.4	989.3	7,079.7	0.00	0.00	0.00
17,700.0	90.00	179.63	10,800.0	-7,111.4	989.9	7,179.0	0.00	0.00	0.00
17,800.0	90.00	179.63	10,800.0	-7,211.4	990.6	7,278.3	0.00	0.00	0.00
17,900.0	90.00	179.63	10,800.0	-7,311.4	991.2	7,377.7	0.00	0.00	0.00
18,000.0	90.00	179.63	10,800.0	-7,411.4	991.9	7,477.0	0.00	0.00	0.00
18,100.0	90.00	179.63	10,800.0	-7,511.4	992.5	7,576.4	0.00	0.00	0.00
18,200.0	90.00	179.63	10,800.0	-7,611.4	993.1	7,675.7	0.00	0.00	0.00
18,300.0	90.00	179.63	10,800.0	-7,711.4	993.8	7,775.0	0.00	0.00	0.00
18,400.0	90.00	179.63	10,800.0	-7,811.4	994.4	7,874.4	0.00	0.00	0.00
18,500.0	90.00	179.63	10,800.0	-7,911.4	995.1	7,973.7	0.00	0.00	0.00
18,600.0	90.00	179.63	10,800.0	-8,011.4	995.7	8,073.0	0.00	0.00	0.00
18,700.0	90.00	179.63	10,800.0	-8,111.4	996.4	8,172.4	0.00	0.00	0.00
18,736.7	90.00	179.63	10,800.0	-8,148.1	996.6	8,208.8	0.00	0.00	0.00
TD at 18736.7									

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well Bell Lake Unit South 202H
Company:	Kaiser Francis Oil Company	**TVD Reference:**	Well @ 3655.0usft (Est KB=23')
Project:	Lea County, NM (NAD 27)	**MD Reference:**	Well @ 3655.0usft (Est KB=23')
Site:	Bell Lake Unit Pad	**North Reference:**	Grid
Well:	Bell Lake Unit South 202H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

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
KOP BLUS 202H - plan hits target center - Point	0.00	0.00	10,227.0	-19.1	944.2	454,860.59	748,321.60	32° 14' 52.712 N	103° 31' 48.448 W
PBHL BLUS 202H (33 - plan hits target center - Point	0.00	0.00	10,800.0	-8,148.1	996.6	446,731.60	748,374.00	32° 13' 32.269 N	103° 31' 48.546 W
FTP BLUS 202H (260 - plan hits target center - Point	0.00	0.00	10,800.0	-592.1	947.9	454,287.60	748,325.30	32° 14' 47.042 N	103° 31' 48.455 W

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,200.0	1,200.0	0.0	0.0	Start Build 2.00
1,528.6	1,527.8	-0.4	18.8	Start 7923.4 hold at 1528.6 MD
9,451.9	9,399.2	-18.7	925.4	Start Drop -2.00
9,780.5	9,727.0	-19.1	944.2	Start 500.0 hold at 9780.5 MD
10,280.5	10,227.0	-19.1	944.2	Start DLS 10.00 TFO 179.63
11,180.5	10,800.0	-592.1	947.9	Start 7556.2 hold at 11180.5 MD
18,736.7	10,800.0	-8,148.1	996.6	TD at 18736.7

Surface Use & Operating Plan

Bell Lake Unit South #202H

- Surface Owner: State of New Mexico
- Grazing Tenant: Mark T. McCloy & Annette E McCloy
- New Road: 1138.6' of new road
- Facilities: Production facilities will be installed on well pad

- **Well Site Information**

  V Door: West

  Topsoil: East

  Interim Reclamation: Reclaim 150' on the north and 100' on the west sides of location.

Notes

Onsite: On-site was done by Fernando Banos (BLM); Matt Warner and Melanie Wilson (Kaiser-Francis), Jimmy Harrison (John West Surveying) and Jeff (APAC Archaeology) on July 20, 2017.

SURFACE USE AND OPERATING PLAN

1. Existing & Proposed Access Roads

A. The well site survey and elevation plat for the proposed well is attached with this application. It was staked by John West Surveying, Hobbs, NM.

B. All roads to the location are shown on the Road Map attachment. The existing lease roads are illustrated in red and are adequate for travel during drilling and disposal operations. Upgrading existing roads prior to drilling the well will be done where necessary. Proposed new access road is shown in red dashes on the Road Map attachment and is shown in detail on the Access Road Map attachment.

C. Directions to location: See Wellsite Layout attachment

D. Based on current road maintenance performed on other roads serving existing wells, we anticipate maintaining the lease roads leading to the proposed well pad at least once a year on dry conditions and twice a year in wetter conditions.

2. Proposed Access Road:

The Access Road Map shows that 1138.6' of new access road will be required for this location. The access road will be constructed as follows:

The maximum width of the running surface will be 15'. The road will be crowned, ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3' feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

A. The average grade will be less than 2%.

B. No turnouts are planned.

C. No cattleguard, culvert, gates, low water crossings or fence cuts are necessary.

D. Surfacing material will consist of native caliche. Caliche will be obtained from the actual well site if available. If not available onsite, caliche will be hauled from BLM caliche pit in SWSW Section 22-T24S-R34E or caliche pit in NENE Section 20-T23S-R33E.

3. Location of Existing Well:

The 1-Mile Radius attachment shows existing wells within a one-mile radius of the proposed wellbore.

4. Location of Existing and/or Proposed Facilities:

A. There are currently no production facilities at this well site.

B. Upon successfully completion of this well, we plan to install a production facility initially consisting of [redacted]

C. Any additional caliche will be obtained from the actual well site. If caliche does not exist or is not plentiful from the well site, the caliche will be hauled from the nearest BLM approved caliche pit in SWSW Section 22-T24S-R34E. Alternate source will be the BLM caliche pit in NENE Section 20-T23S-R33E. Any additional construction materials will be purchased from contractors.

[redacted]

E. If completion of the well is successful, rehabilitation plans will include the following:

- The original topsoil from the well site will be returned to the location, and the site will be re-contoured as close as possible to the original site.

5. Location and Type of Water Supply:

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from a private source. Fresh water will come from Mesquite SWD, Inc.'s 128 Fresh water well in Section 31-T22S-R30E and the alternate source is Mesquite SWD, Inc.'s Pulley Fresh water well in Section 26-T24S-R28E. Brine water will come from Mesquite SWD, Inc.'s Malaga I Brine Station in Section 12-T23S-R28E and the alternate source is Mesquite SWD, Inc.'s Malaga II Brine Station in Section 20-T24S-R29E. No water well will be drilled on the location.

6. Source of Construction Materials and Location "Turn-Over" Procedure:

Obtaining caliche: One primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

A. Equipment that is needed to construct the proposed location will be as follows: Two dozers to flip the site for caliche and to move topsoil, one blade to level the surface, one morograder to roll and compact this site, one backhoe to dig the cellar, one water truck to water location and dust abatement and two dump trucks to haul surface material. If

caliche is not available onsite and have to haul caliche from a private pit, in addition to equipment mentioned above we will have 10 belly dumps and one front end loader.

B. The time line to complete construction will be approximately 10 days.

C. The top 6 inches of topsoil is pushed off and stockpiled along the south side of the location. Maximum height of the topsoil stock pile will be 3'.

D. An approximate 160' X 160' area is used within the proposed well site to remove caliche.

E. Subsoil is removed and stockpiled within the surveyed well pad.

F. When caliche is found, material will be stock piled within the pad site to build the location and road.

G. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.

H. There will be no interim reclamation. Once well is drilled, the stock piled top soil will be seeded in place.

I. Neither caliche, nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from the BLM caliche pit in Section 22-T24S-R34E or the BLM caliche pit in Section 20-T23S-R33E.

7. Methods of Handling Water Disposal:

A. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to R360's disposal site located at 4507 West Carlsbad Highway, Hobbs, NM 88240.

B. Drilling fluids will be contained in steel mud pits and taken to R360's disposal site located at 4507 West Carlsbad Highway, Hobbs, NM 88240.

C. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility. R360's disposal site located at 4507 West Carlsbad Highway, Hobbs, NM 88240.

D. It is anticipated that the disposal of produced water will be trucked to

E. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved landfill-Lea Landfill LLC. Located at Mile Marker

64, Highway 62-180 East, P O Box 3247, Carlsbad, NM 88221. No toxic waste or hazardous chemicals will be produced by this operation.

F. Human waste and grey water will need to be properly contained and disposed of. Proper disposal and elimination of waste and grey water may include but are not limited to portable septic systems and/or portable waste gathering systems (i.e. portable toilets).

G. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operation on this well.

9. Well Site Layout:

A. The drill pad layout, with elevations staked by John West Surveying, is shown in the Wellsite Layout attachment. Dimensions of the pad and pits are shown on the Drilling Site Layout. V door direction is west. Topsoil, if available, will be stockpiled on the east side of location, per BLM specifications. No major cuts will be required. A berm will be constructed on the east side of the pad.

B. The Drilling Site Layout exhibit shows the proposed orientation of closed loop system and access road. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.

10. Plans for Restoration of the Surface:

A. Interim Reclamation will take place within six months after the well has been completed. The pad will be downsized by reclaiming the areas not needed for disposal operations. The portions of the pad that are not needed for disposal operations will be re-contoured to its original state as much as possible. The caliche that is removed will be reused to either build another pad site or for road repairs within the lease. The stockpiled topsoil will then be spread out reclaimed area and reseeded with a BLM approved seed mixture. In the event that the well must be worked over or maintained, it may be necessary to drive, park, and/or operate machinery on reclaimed land. This area will be repaired or reclaimed after work is complete.

B. Final Reclamation: Upon plugging and abandoning the well all caliche for well pad and lease road will be removed and surface will be recountoured to reflect its surroundings as much as possible within six months. Caliche will be recycled for road repair or reused for another well pad within the lease. If any topsoil remains, it will be spread out and the area

will be re-seeded with a BLM approved mixture and re-vegetated as per BLM orders. When required by BLM, the well pad site will be restored to match pre-construction grades.

11. Surface Ownership:

A. The surface is owned by the State of New Mexico, Commissioner of Public Lands. Grazing tenant is Mark T. McCloy and Annette E. McCloy, PO Box 795, Tatum, NM 88267. The surface is multiple uses with the primary uses of the region for grazing of livestock and the production of oil and gas.

B. The proposed road routes and surface location will be restored as directed by the BLM.

12. Other Information:

A. The area around the well site is grassland and the topsoil is sandy. The vegetation is moderately sparse with native prairie grasses, some mesquite. No wildlife was observed but it is likely that mule deer, rabbits, coyotes and rodents traverse the area.

B. There is no permanent or live water in the immediate area.

C. There are no dwellings within 2 miles of this location.

D. A Cultural Resources Examination is being prepared by [redacted] of, Carlsbad, New Mexico, phone # [redacted] and the results will be forwarded to your office in the near future.

13. Bond Coverage:

Bond Coverage is Statewide Bonds # WY000055.

15. Operator's Representative:

The Kaiser-Francis Oil Company representative responsible for assuring compliance with the surface use plan is as follows:

[redacted]

SPILL PREVENTION, CONTROL, AND COUNTERMEASURE PLAN

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121-1468

South Bell Lake Pad 0 Production Facility

May 18, 2017

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*Only relevant rule provisions are indicated. For a complete list of SPCC requirements, refer to the full text of 40 CFR part 112.

Introduction

The purpose of this Spill Prevention Control and Countermeasure (SPCC) Plan is to describe measures implemented by Kaiser-Francis Oil Company "KFOC" to prevent oil discharges from occurring, and to prepare KFOC to respond in a safe, effective, and timely manner to mitigate the impacts of a discharge from the South Bell Lake Pad 0 production facility. This SPCC Plan has been prepared and implemented in accordance with the SPCC requirements contained in 40 CFR part 112.

In addition to fulfilling requirements of 40 CFR 112, this SPCC Plan is used as a reference for oil storage information and testing records, as a tool to communicate practices on preventing and responding to discharges with KFOC employees and contractors, as a guide on facility inspections, and as a resource during emergency response.

Management Approval

40 CFR 112.7

Kaiser-Francis Oil Company ("KFOC") is committed to maintaining the highest standards for preventing discharges of oil to navigable waters and the environment through the implementation of this SPCC Plan. This SPCC Plan has the full approval of KFOC management. KFOC's management has committed the necessary resources to implement the measures described in this Plan.

The Production Superintendent is the Designated Person Accountable for Oil Spill Prevention at this KFOC facility and has the authority to commit the necessary resources to implement the Plan as described.

Authorized Facility Representative: David Zerger

Signature: _____
Title: Operations Engineer

Date: _____

Professional Engineer Certification

40 CFR 112.3(d)

The undersigned Registered Professional Engineer is familiar with the requirements of Part 112 of Title 40 of the *Code of Federal Regulations* (40 CFR part 112) and has visited and examined the facility, or has supervised examination of the facility by appropriately qualified personnel. The undersigned Registered Professional Engineer attests that this Spill Prevention, Control and Countermeasure Plan has been prepared in accordance with good engineering practice, including consideration of applicable industry standards and the requirements of 40 CFR part 112; that procedures for required inspections have been established; and that this Plan is adequate for the facility. [112.3(d)]

This certification in no way relieves the owner or operator of the facility of his/her duty to prepare and fully implement this SPCC Plan in accordance with the requirements of 40 CFR part 112.

_____
Signature

_____
Date

Charles W. Lock
Name of Professional Engineer

16241 - OK
Registration Number/Issuing State

Plan Review
40 CFR 112.5

In accordance with 40 CFR 112.5, Kaiser-Francis Oil Company periodically reviews and evaluates this SPCC Plan for any change in the facility design, construction, operation, or maintenance that materially affects the facility's potential for an oil discharge. KFOC reviews this SPCC Plan at least once every five years. Revisions to the Plan, if any are needed, are made within six months of this five-year review. KFOC will implement any amendment as soon as possible, but not later than six months following preparation of any amendment. A registered PE certifies any technical amendment to the Plan, as described above, in accordance with 40 CFR (112.3(3).

Table 0-1: Record of Plan Review and Changes

MANAGEMENT REVIEW

- Management will review this SPCC Plan at least each five (5) years and document the review on the form below.

Review/ Amend Date	Signature	Amend Plan (will/will not)	Description of Review Amendment	Affected Page(s)	P.E. Certification (Y/N)

Location of SPCC Plan
40 CFR 112.3(e)

In accordance with 40 CFR 112.3(e), and because the facility is normally unmanned, a complete copy of this SPCC Plan is maintained at the Corporate Office, which is located at 6733 S. Yale Avenue, Tulsa, OK.

Certification of Substantial Harm Determination

40 CFR 112.20(e), 40 CFR 112.20(f)(1)

Facility Name: **Kaiser-Francis Oil Company, South Bell Lake Pad 0**

1. Does the facility transfer oil over water to or from vessels and does the facility have a total oil storage capacity greater than or equal to 42,000 gallons?
Yes ☐ No ■

2. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and does the facility lack secondary containment that is sufficiently large to contain the capacity of the largest aboveground oil tank plus sufficient freeboard to allow for precipitation within any aboveground storage tank area?
Yes ☐ No ■

3. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and is the facility located at a distance (as calculated using the appropriate formula) such that a discharge from the facility could cause injury to fish and wildlife and sensitive environments?
Yes ☐ No ■

4. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and is the facility located at a distance (as calculated using the appropriate formula) such that a discharge from the facility would shut down a public drinking water intake?
Yes ☐ No ■

5. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and has the facility experienced a reportable oil spill in an amount greater than or equal to 10,000 gallons within the last 5 years?
Yes ☐ No ■

Certification

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals responsible for obtaining this information, I believe that the submitted information is true, accurate, and complete.

_____	Safety and Environmental Coordinator
Signature	Title
Charles W. Lock	_____
Name (type or print)	Date

PART I – GENERAL FACILITY INFORMATION

40 CFR 112.7(a)(3)

1.1 Company Information

Name of Facility:	Kaiser-Francis Oil Company South Bell Lake Pad 0
Type	Onshore oil production facility
Location	1-24S-33E Lea County, NM
Name and Address of Owner	Kaiser-Francis Oil Company *Ardmore District Office* Box 197 (Dillard Route) Wilson, OK 73643 *Corporate Office* 6733 S. Yale Avenue Tulsa, OK 74133

1.2 Contact Information

The designated person accountable for overall oil spill prevention and response at the facility, also referred to as the "Response Coordinator" (RC), is the Production Superintendent, Bill Wilkinson. 24 hour contact information is provided in Table 1-1.

The pumper/gauger provides operation support activities for KFOC, including performing informal daily examinations of the facility equipment, as described in Section 3.4 of this SPCC Plan. The pumper regularly visits the facility to record production levels and perform other maintenance/inspection activities as requested by the Kaiser-Francis Operations Engineer. Pumper phone numbers are included in Table 1-1.

Table 1-1: Facility contact information

Name	Title	Telephone
Larry Moates	Pumper	432-238-6996
Jeff Pevehouse	secondary pumper	575-361-2965
Bill Wilkinson	Production Superintendent Kaiser-Francis Oil Company Ardmore District	580/668-2335 (office) 580/221-4637 (cell)
David Zerger	Operations Engineer Kaiser-Francis Oil Company Tulsa, OK	918/491-4350 (office)
Charles Lock	Safety & Environmental Kaiser-Francis Oil Company Tulsa, OK	918/491-4337 (office) 918/671-6510 (cell)

1.3 Facility Layout Diagram

Appendix A, at the end of this Plan, shows a general site plan for the facility. The site plan shows the site topography and the location of the facility relative to waterways, roads, and inhabited areas. Appendix A will also include a detailed facility diagram that shows the wells, tank battery, and transfer areas for the facility. The diagram will show the location, capacity, and contents of all oil storage containers greater than 55 gallons in capacity.

1.4 Facility Location and Operations

KFOC operates the South Bell Lake Pad 0 production facility; directions to the lease are as follows:

From the intersection of E21 (Delaware Basin) and ST highway 128 go North approx. 2.6 miles on Co Road E21 (Delaware Basin Road) Turn left onto Bell Lake Road and follow road West approx. 1.42 miles. At lease road turn to North and proceed 650 feet to Pad 0 location.

The production facility is generally unmanned. Field operations personnel from KFOC, or pumpers acting as contractors to KFOC visit the facility daily to record production rates and ensure the proper functioning of wellhead equipment and pumpjacks, storage tanks, flowlines, and separation vessels. This includes performing equipment inspection and maintenance as needed.

The produced water tank may contain an oil/produced water mixture making it subject to 40 CFR part 112 and is covered by this SPCC Plan.

1.5 Oil Storage and Handling

1.5.1 Production Equipment

All oil storage tanks are shop-built and meet the American Petroleum Institute (API) tank construction standard. Their design and construction are compatible with the oil they contain and the temperature and pressure conditions of storage.

Lubricating oil and other substances, such as solvents and chemicals for downhole treatment, are also sometimes stored at the facility, but in quantities below the 55-gallon threshold for SPCC applicability. Table 1-2 lists all oil containers present at the facility with capacity of 55 gallons or more.

Table 1-2: Characteristics of oil containers

ID	Construction	Primary Content	Capacity (barrels)	Capacity (gallons)
		TOTAL		

1.5.2 Transfer Activities

Wells produce crude oil, produced water (saltwater), and natural gas. Well liquids are then routed via steel flowlines to a separation vessel. Produced saltwater is routed from the separator to the saltwater storage tank. The crude oil is sent to the oil storage tanks.

Crude oil from the lease is purchased by a crude oil purchaser and transported from the facility by the purchaser's tanker truck. Tanker trucks come to the facility to transfer crude oil and produced water, but do not remain at the facility. Sorbent materials in conjunction with drip pans are used to contain spills. All transfer operations are attended by the trucker and meet the minimum requirements of the US Department of Transportation Hazardous Materials Regulations.

1.6 Conformance w/Applicable State and Local Requirements [112.7(j)]

The SPCC regulation of 40 CFR part 112 is more stringent than requirements from the state for this type of facility. This SPCC Plan was written to conform to 40 CFR part 112 requirements. The facility thereby conforms to general requirements for oil pollution facilities in the state. All discharge notifications are made in compliance with local, state, and federal requirements.

PART II. SPILL RESPONSE AND REPORTING
40 CFR 112.7

2.1 Discharge Discovery and Reporting [112.7(a)(3)]

Several individuals and organizations must be contacted in the event of an oil discharge. The Production Superintendent is responsible for ensuring that all required discharge notifications have been made. All discharges should be reported to the Production Superintendent. The summary table included in Appendix D to this SPCC Plan provides a list of agencies to be contacted under different circumstances. Discharges would typically be discovered during the inspections conducted at the facility in accordance with procedures set forth in Section 3.4.1 of this SPCC Plan, and on the checklist of Appendix B. The Form included in Appendix D of this Plan summarizes the information that must be provided when reporting a discharge, including contact lists and phone numbers.

2.1.1 Verbal Notification Requirements (Local, State, and Federal (40 CFR part 110))

For any discharge that reaches navigable waters, or threatens to reach navigable waters, *immediate* notification must be made to the National Response Center Hotline (800-424-8802) and to the Environmental Protection Agency.

In the event of a discharge that threatens to result in an emergency condition, facility field personnel must verbally notify the appropriate state agency immediately, and in no case later than *within one (1) hour* of the discovery of the discharge. An emergency condition is any condition that could reasonably be expected to endanger the health and safety of the public; cause significant adverse impact to the land, water, or air environment; or cause severe damage to property. This notification must be made regardless of the amount of the discharge.

In the event of a discharge that does not present an emergency situation, verbal notification must be made to the appropriate state agency *within twenty-four hours* of the discharge.

2.1.2 Written Notification Requirements (State and Federal (40 CFR part 112))

A written notification will be made to EPA for any single discharge of oil to a navigable water or adjoining shoreline waterway of more than 1,000 gallons, or for two discharges of 1 bbl (42 gallons) of oil to a waterway in any 12-month period. This written notification must be made within 60 days of the qualifying discharge, and a copy will be sent to the appropriate state agency in charge of oil production control activities. This reporting requirement is separate and in addition to reporting under 40 CFR part 110 discussed above.

2.1.3 Submission of SPCC Information

Whenever the facility experiences a discharge into navigable waters of more than 1,000 gallons, or two discharges of 42 gallons or more within a 12-month period, KFOC will provide information in writing to the EPA Region office within 60 days of a qualifying discharge as described above. The required information is described in Appendix D of this SPCC Plan.

2.2 Spill Mitigation Procedures [112.7(a)(5)]

The following is a summary of actions that must be taken in the event of a discharge. It summarizes the distribution of responsibilities among individuals and describes procedures to follow in the event of a discharge.

In the event of a discharge, KFOC or contract field personnel and the Production Superintendent shall be responsible for the following:

2.2.1 Shut off Ignition Sources

Field personnel must shut off all ignition sources, including motors, electrical circuits, and open flames. See Appendix E for more information about shut-off procedures.

2.2.2 Stop Oil Flow

Field personnel should determine the source of the discharge, and if safe to do so, immediately shut off the source of the discharge. Shut in the well(s) if necessary.

2.2.3 Stop Spread of Oil and Call the Production Superintendent

If safe to do so, field personnel must use resources available at the facility to stop the spilled material from spreading. Measures that may be implemented, depending on the location and size of the discharge, include placing sorbent material or other barriers in the path of the discharge (e.g., sand bags), or constructing earthen berms or trenches.

In the event of a significant discharge, field personnel must immediately contact the Production Superintendent, who may obtain assistance from authorized company contractors and direct the response and cleanup activities. Should a discharge reach navigable waters, only physical response and countermeasures should be employed, such as the construction of underflow dams, installation of hard boom and sorbent boom, use of sorbent pads, and use of vacuum trucks to recover oil and oily water from the water. If water flow is low, construction of any underflow dam downstream and ahead of the spill flow may be advantageous. Sorbent material and/or boom should be placed immediately downstream of the dam to recover any sheen from the water. If water flow is normal, floating booms and sorbent boom will be deployed. Vacuum trucks will then be utilized to remove oil and oily water at dams and other access points. At no time shall any surfactants, dispersants, or other chemicals be used to remove oil when the spill is in water.

2.2.4 Gather Spill Information

The Production Superintendent will ensure that the *Discharge Notification Form* is filled out and that notifications have been made to the appropriate authorities. The Production Superintendent may ask for assistance in gathering the spill information on the *Spill Report Form* (Appendix D) of this Plan.

2.2.5 Notify Agencies Verbally

Some notifications must be completed *immediately* upon discovering the discharge. It is important to immediately contact the Production Superintendent so that timely notifications can be made. If the Production Superintendent is not available, or the Production Superintendent requests it, field personnel must designate one person to begin notification. Section 2.1 of this Plan describes the required notifications to government agencies. The Notification List is included in Appendix D of this SPCC Plan. The Production Superintendent must also ensure that written notifications, if needed, are submitted to the appropriate agencies.

2.3 Disposal Plan

The cleanup contractor will handle the disposal of any recovered product, contaminated soil, contaminated materials and equipment, decontamination solutions, sorbents, and spent chemicals collected during a response to a discharge incident.

PART III. SPILL PREVENTION, CONTROL, AND COUNTERMEASURE PROVISIONS

40 CFR 112.7 and 112.9

3.1 Potential Discharge Volume and Direction of Flow [112.7(b)] and Containment [112.7(a)(3)(iii)]

- The potential spills sources at the Facility are summarized in the following table:

Container ID	Substance Stored *(Oil)*	Shell Capacity *(Bbls)*	Potential Failure	Rate of Flow *(Bbls/hr)*	Direction of Flow	Containment System(s)
Bulk Storage Containers						
Operational Equipment						
Truck or Rail Loading/Unloading Rack						
Other Potential Spill Sources						

- The material and construction of bulk storage containers are compatible with the material stored and conditions of storage such as pressure and temperature.
- All bulk storage container installations, if required, are constructed so that a means of secondary containment is provided for the entire capacity of the largest single container plus sufficient freeboard to contain precipitation.
- *Diked areas are sufficiently impervious to contain discharged oil.*

3.2 Containment and Diversionary Structures [112.7(c)]

The facility is configured to minimize the likelihood of a discharge reaching navigable waters. The following measures are provided:

- Secondary containment for the oil storage tanks, saltwater tank (which may have small amounts of oil), is provided by an earthen berm or metal containment ring, as described in Section 3.2.2 below. The earthen berm is constructed of native soils and then covered with gravel.

3.2.1 Oil Production Facility Drainage [112.9(b)]

Facility drainage areas in the production/separation area, but outside containment berms, are visually examined by facility personnel on a daily basis during routine facility rounds to detect any discoloration or staining that would indicate the presence of oil from small leaks within the facility. Any accumulation of oil is promptly removed and disposed off site.

3.2.2 Secondary Containment for Bulk Storage Containers [112.9(c)(2)]

In order to further minimize the potential for a discharge to navigable waters, bulk storage containers such as all tank battery, separation, and treating equipment are placed inside a berm (fire wall). It provides secondary containment sufficient for the size of the largest tank, plus enough freeboard to contain precipitation. Per example below: This secondary containment capacity is equivalent to approximately 905 percent of the capacity of the largest tank within the containment area and exceeds the 10 percent freeboard recommended by API for firewalls around production tanks (API-12R1). An example of the berm capacity calculations is provided in Table 3-2.

EXAMPLE **Table 3-2: BERM CAPACITY CALCULATIONS**

BERM CAPACITY	
Berm height	3 ft
Berm dimensions	186 ft x 39 ft = 7,254 ft^2
Tank footprint	4 tanks @ 12 ft dia. each & 1 tank @ 6 ft dia = 4 x (π $12^2/4$) + (π $6^2/4$) = 480.66 ft^2
Net volume	3 ft x (7254-480.66) = 20,320.02 ft^3
Ratio to largest tank	20,320.02 /2245.84= 904.78 %
CORRESPONDING AMOUNT OF FREEBOARD	
100% volume of largest tank	16,800 gal = 2,245.84 ft^3
Net area	7,254 – 480.66= 6,773.34 ft^2
Minimum berm height for 100% of tank volume	2,245.84 / 6,773.34 ft = .33 ft
Freeboard	3 - .33 = 2.67 ft

Facility personnel inspect the berm daily for the presence of oil. The sides of the earthen berms are capped with gravel to minimize erosion.

3.2.3 Practicability of Secondary Containment [112.7(d)]

Flowlines adjacent to the production equipment and storage tanks are located within the berm, and therefore have secondary containment. Flowlines that go from the wells to the production equipment as well as the tank truck loading area are inspected daily by the pumper, as described in section 3.4 of this Plan. The installation of double-wall piping, berms, or other permanent structures (e.g., remote impoundment) around flowlines and tank truck loading area are impracticable at this facility due to the long distances involved and physical and road/fenceline right-of-way constraints. Sorbent materials in conjunction with drip pans provide adequate secondary containment for equipment and piping outside of the berm. Therefore, sorbent materials will be used when necessary.

3.3 Other Spill Prevention Measures

3.3.1 Bulk Storage Containers Overflow Prevention [112.9(c)(4)]

The tank battery is designed with a fail-safety system to prevent discharge, as follows:

- The capacity of the oil storage tanks is sufficient to ensure that oil storage is adequate in the event where facility personnel are unable to perform the daily visit to unload the tanks or the pumper is delayed in stopping production. The oil tanks are sized to provide sufficient storage for at least two days.
- Where applicable when multiple oil tanks are present the tanks are connected with overflow equalizing lines to ensure the full tank can overflow to an adjacent tank.

3.3.2 Transfer Operations and Saltwater Disposal System [112.9(d)]

All aboveground valves and piping associated with transfer operations are inspected daily by the pumper and/or truck driver, as described in Section 3.4 of this Plan. The inspection procedure includes observing flange joints, valve glands and bodies, drip pans, and pipe supports.

3.4 Inspections, Tests, and Records [112.7(e)]

This Plan outlines procedures for inspecting the facility equipment in accordance with SPCC requirements. Records of inspections performed as described in this Plan and signed by the appropriate supervisor are maintained at the Tulsa Corporate Office for a minimum of three years. The reports include a description of the inspection procedure, date of inspection and the inspector's signature.

Each container is inspected monthly by field operation personnel as described in this Plan section and following the checklist provided in Appendix B of this SPCC Plan. The inspection is aimed at identifying signs of deterioration and maintenance needs.

The inspection program is comprised of informal daily examinations, monthly scheduled inspections, and periodic condition inspections. Additional inspections and/or examinations are performed whenever an operation alert, malfunction, shell or deck leak, or potential bottom leak is reported following a scheduled examination. Written examination/inspection procedures and monthly examination/inspection reports are signed by the field inspector and are maintained at the corporate office for a period of at least three years.

3.4.1 Daily Examinations

The facility is visited daily by field operations personnel. The daily visual examination consists of a walk through of the tank battery and around the well. Field operations personnel check the wells and production equipment for leaks and proper operation. They examine all aboveground valves, polished rod stuffing boxes, wellheads, fittings, gauges, and flowline piping at the wellhead. Personnel inspect pumps to verify proper function and check for damage and leakage. They look for accumulation of water within the tank battery berms. The storage tanks are gauged every day. A daily production report is maintained. All malfunctions, improper operation of equipment, evidence of leakage, stained or discolored soil, etc. are logged and communicated to the KFOC Production Superintendent.

3.4.2 Monthly Reports

Leases and equipment are inspected daily. Any problems with the lease or equipment are recorded on the Monthly Inspection Report (Appendix B) and submitted with the gauge report for each month.

3.4.3 Brittle Fracture Evaluation [112.7(i)]

At the present time, none of the bulk storage containers at this site are field-erected, and therefore no brittle fracture evaluation is required.

3.4.4 Flowline Maintenance Program [112.9(d)(3)]

The facility is relying on sorbent materials to address discharges from flowlines. The flowline maintenance program is specifically implemented to maintain the integrity of the primary container (in this case piping) to minimize releases of oil from this part of the production facility. The facility's gathering lines and flowlines are inspected for leaks at connections and on each joint, corrosion (pitting, flaking), and maintained to minimize the potential for a discharge.

3.5 Personnel Training, and Discharge Prevention Procedures [112.7(f)]

The Production Superintendent has been designated as the point of contact for all oil discharge prevention and response at this facility.

All KFOC field personnel receive training on proper handling of oil products and procedures to respond to an oil discharge. The training ensures that all facility personnel understand the procedures described in the SPCC Plan and are informed of the requirements under applicable pollution control laws, rules and regulations. The training also covers risks associated with potential exposure to hydrogen sulfide (H2S) gas.

KFOC ensures that all contractor personnel are familiar with the facility operations, and spill prevention and control procedures described in this Plan.

KFOC management holds briefings with company field operations personnel at least once a year, as described below.

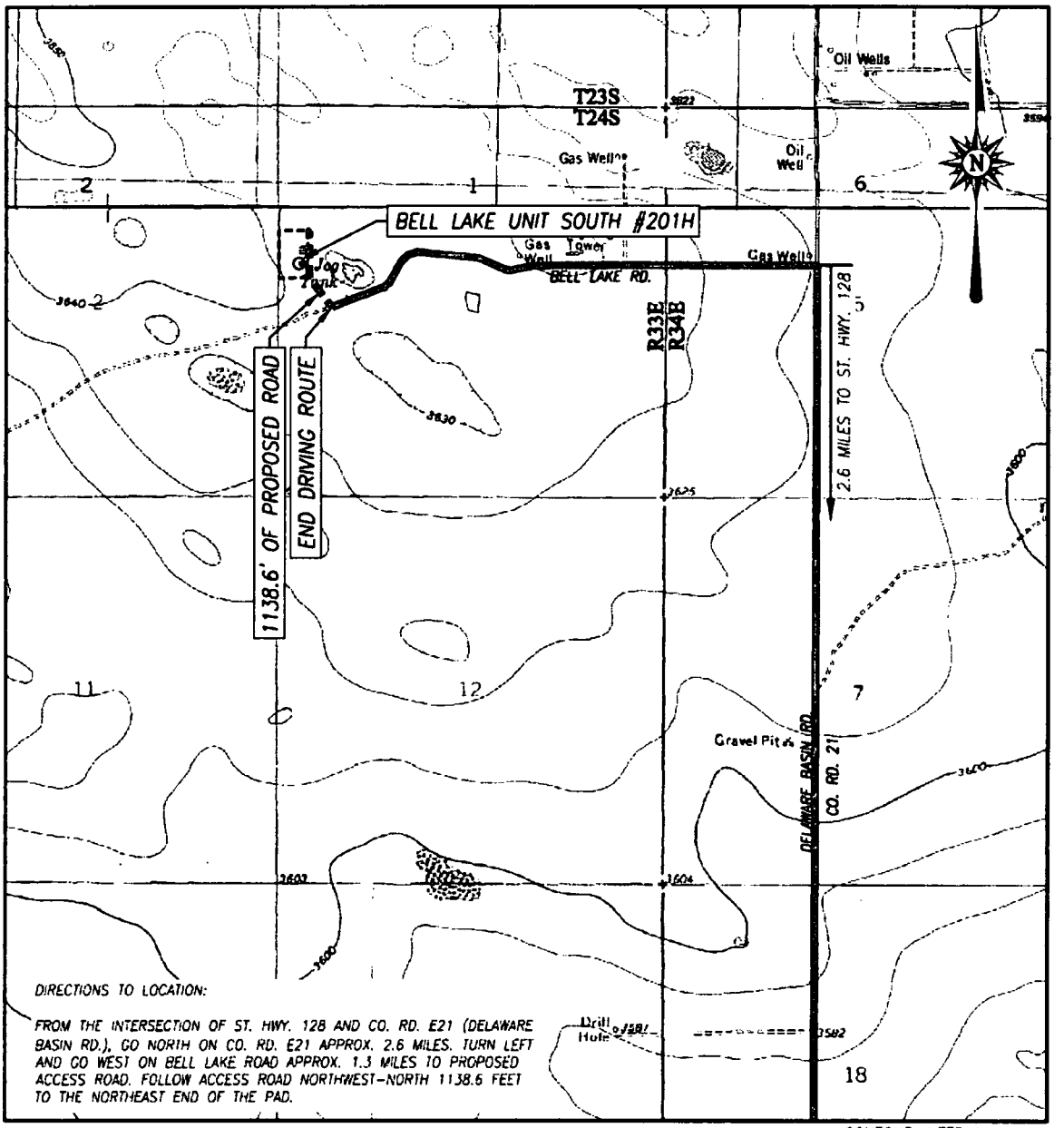
3.5.1 Spill Prevention Briefing

The Safety & Environmental Coordinator conducts Spill Prevention Briefings annually to ensure adequate understanding and effective implementation of this SPCC Plan. These briefings highlight and describe known events or failures, malfunctioning components, and recently developed precautionary measures. The briefings are conducted in conjunction with the company safety meetings. Sign-in sheets, which include the topics of discussion at each meeting, are maintained in the Safety Department at KFOC's Corporate Office. The scheduled annual briefing includes a review of KFOC policies and procedures for SPCC inspections and spill prevention procedures; spill reporting procedures; spill response; and recovery, disposal, and treatment of spilled material.

Personnel are instructed in applicable federal, state, and local pollution laws, rules, and regulations. Facility operators and other personnel have an opportunity during the briefings to share recommendations concerning health, safety, and environmental issues encountered during facility operations.

APPENDIX A: Facility Diagrams/ Vicinity / Road

TOPOGRAPHIC AND ACCESS ROAD MAP



SCALE: 1" = 2000'
SEC. 1 TWP. 24-S RGE. 33-E
SURVEY N.M.P.M.

CONTOUR INTERVAL:
BELL LAKE, N.M. - 10'
WOODLEY FLAT, N.M. - 10'

SITE DIAGRAM FOR COMPLETED TANK BATTERY

APPENDIX B: Monthly Inspection Report

A record of the completed checklists, with signatures, is maintained at the Tulsa KFOC office. Inspections are conducted using the following checklist in accordance with section 3.4 of this SPCC plan.

SPCC Inspection Checklist			
Pumper:	**District:**		
Facility ID:			
Storage Areas and Separation Equipment	**Y**	**N**	**Description & Comments (Note tank/equipment ID)**
Tank surfaces showing signs of leakage			
Tanks showing signs of damage, rust or deterioration			
Damaged bolts, rivets or seams			
Deteriorated or buckled aboveground tank supports			
Eroded or settled Aboveground tank foundations			
Leaking gaskets			
Level gauges or alarms that are inoperative			
Obstructed vents			
Thief hatch and vent valve does not seal air tight			
Damaged or missing nets on open top vessels			
Containment berm showing discoloration or stains			
Berm that is breached or eroded or has vegetation			
Trash or vegetation inside of berm area			
Missing equipment guards, labels or signs			
Piping/Flowlines and Related Equipment			
Leaking valve seals or gaskets			
Damaged or deteriorated Pipelines or supports			
Buried pipelines that are exposed			
Visible line leaks			
Transfer Equipment			
Damaged or deteriorated loading/unloading lines			
Connections are not capped or blank-flanged			
Secondary Containment is damaged or stained			
Field drainage systems			
Accumulation of oil in drainage ditches or road ditches			
Accumulation of oil in oil traps, sumps, or skimmers			
If yes, you must promptly remove any accumulations of oil			
Response Kit Inventory:			
Discharge response material is missing or damaged or needs replaced			
Signature:	**Date:**		

Monthly Inspection Report

A detailed description of what to inspect is provided on page one of the Checklist

District: _____ Pumper: _____

Facility ID	Problems with Storage tanks & Separation Equipment		Problems with Piping/Flowlines & Related Equipment		Problems with Transfer Equipment		Description & Comments (Note tank/equipment ID)
	Y	N	Y	N	Y	N	

Pleas make sure all open top vessels are properly netted and the net is not damaged or deteriorated.

Further descriptions and comments, if needed, should be provided on the empty space at the bottom of this page or on a separate sheet of paper and attached to this page. Any item answered "Yes" needs to be promptly reported, repaired, or replaced as it may result in noncompliance with regulatory requirements.

Note: Leases and equipment should be inspected daily. Record any problems on this form and submit it monthly with your gauge report.

Date:_____ Signature:_____

APPENDIX C: Record of Dike Drainage

This record must be completed when rainwater from diked areas is drained into a storm drain or into an open watercourse, lake, or pond, and bypasses the water treatment system. The facility is not equipped with a manual valve of open-and–closed design. All water accumulated within the berm is closely inspected by field operations personnel (who are the persons providing "responsible supervision") to ensure that no free oil is present (i.e. there is no sheen or discoloration upon the surface, or a sludge or emulsion deposit beneath the surface of the water). Free oil is promptly removed and disposed of in accordance with waste regulations.

Date	Area	Presence of oil (y/n)	Time started	Time Finished	Signature

APPENDIX D: Discharge Notification Procedures

- **WHEN REPORTING A DISCHARGE PROVIDE THE FOLLOWING INFORMATION:**
  Exact location;
  Material involved;
  Quantity involved;
  Topographical and environmental conditions;
  Circumstances that may hinder response; and
  Injuries, if any.

- **WARN PERSONNEL.** All personnel on facility will be verbally warned of the oil spill. If an explosion or fire occurs, evacuate personnel from the area until the danger is over.

- **REQUEST ADDITIONAL RESOURCES.** If oil has reached water or could reach water, facility personnel will decide whether the available onsite containment materials are sufficient to contain the spill. If it is estimated that additional materials will be necessary, an Oil Spill Removal Organization will be contacted at this time. An estimate of the amount of oil released shall be relayed to the Oil Spill Removal Organization.

- **CONTAIN THE SPILLED OIL.** Facility personnel will attempt to prevent the spilled oil from spreading. Available containment material will be deployed.

- **GATHER INFORMATION.** Information on the spill will be collected and the "Spill Notification Form" will be completed.

- **MAKE NOTIFICATIONS.** Facility personnel will contact Company Management. Information on the spill along with actions taken will be relayed to Company Management and Company Management will make all necessary notifications. If Company Management is not available facility personnel will make the notifications.

- **CLEAN UP THE SPILLED OIL.** Once the spill is contained to the maximum extent possible, available supplies will be used to proceed with cleanup of the spill. An Oil Spill Removal Organization will be mobilized as required.

- **SPILL RESPONSE.** If immediate cleanup is not considered to be an appropriate remedial measure, the operator will notify the proper agency and give an alternative remedial plan and will promptly implement said plan upon approval.

Spill Report Form

Description of Discharge		
Date/time	Release date: Release time: Duration:	Discovery date: Discovery time:
Reporting Individual	Name:	Tel. #:
Location of discharge (Quarter, Block, Section, Survey, etc.)	County: State:	Description:
Surface Owner	Description of area: ❑ Farming ❑ Grazing ❑ Urban	
Equipment Sources Product	❑ Piping ❑ Flowline ❑ Well ❑ Stock, flare ❑ Unknown ❑ Crude oil ❑ Saltwater ❑ Other*	Description: Equipment ID: *Description other:
Appearance and description of area	❑ Sandy ❑ Sandy Loam ❑ Clay ❑ Rocky ❑ Wet ❑ Dry ❑ Snow	
Environmental conditions	Wind Direction: Wind Speed:	Rainfall: Current:
Site Drainage direction Distance to nearest navigable water		

Impacts		
Quantity	Released:	Recovered:
Receiving Medium	❑ Water** ❑ Land ❑ Other (describe):	❑ Release confined to company property. ❑ Release outside company property ** if water, indicate extent and body of water:
Describe Circumstances of the Release		
Assessment of impacts and remedial actions		
Disposal method for recovered material		
Action taken to prevent incident from reoccurring		
Safety Issues	❑ Fire ❑ Explosion ❑ Injuries ❑ Fatalities ❑ Evacuation ❑ *Other	*Description of other:

Notifications		
Agency	Name	Date/time reported & Comments
Company Spill Response Coordinator	Charles W. Lock (918)491-4337	
National Response Center 1-800-424-8802		
OSRO/cleanup contractor		

Contact List and Phone Numbers

Contact information for reporting a discharge to the National Response Center and other federal, state, and local agencies, and to other affected parties, is provided below. Note that any discharge to water must be reported immediately to the National Response Center.

The following is a contact list and phone number reference for the Facility:

Contacts	Primary	Alternate
Designated Person Accountable For Oil Spill Prevention and/or Facility Response Coordinator		
Name/Title: Larry Moates/Pumper	432/238-6996	
Name/Title: Jeff Pevehouse/Pumper	575-361-2965	
Name/Title: Jeremy Parent/Prod. Foreman	580/504-2593	
Name/Title: Bill Wilkinson/Prod. Superintendent	580/221-4637	580/668-2334
Name/Title: David Zerger/Operations Engineer	918/491-4350	
Name/Title: Charles Lock/Safety & Envir.	918/491-4337	918/671-6510

Contact List and Phone Numbers

The following is a contact list and phone number reference for the Facility:

Contacts	Primary	Alternate (Cell)
Cleanup Contractors (as necessary):		
Dozers – B&R	575/236-6012	
Vacuum & Tank Trucks – Parker Energy	575-394-0444	
Misc. Trucks & Labor – Forklift- J&A	575-208-9653	
Pump Trucks – Parker Energy	575-394-0444	
Frac Tanks – EOS	575/397-0100	
Welder – Custom Welding	575/393-5904	
Federal, State and local agencies (as necessary)		
National Response Center	(800) 424-8802	(202) 267-2675
NMOCC – Hobbs	575/393-6161	
EPA Region 6	866/372-7745	
OSHA – Lubbock	806/472-7681	800/321-OSHA
Other contact references:		
Fire Fighting – Hobbs	575/397-9308	
Police – Hobbs	575/397-9265	
Ambulance – Hobbs	575/397-9308	
Sheriff – Hobbs	575/393-2515	
Highway Patrol – Hobbs	575/392-5588	

APPENDIX E: Equipment Shut-off Procedures

Source	Action
Manifold, transfer pumps or hose failure	Shut in the well supplying oil to the tank battery if appropriate. Immediately close the header/manifold or appropriate valve(s). Shut off transfer pumps.
Tank overflow	Shut in the well supplying oil to the tank battery. Close header/manifold or appropriate valve(s).
Tank failure	Shut in the well supplying oil to the tank battery. Close inlet valve to the storage tanks.
Flowline rupture	Shut in the well supplying oil to the flowline. Immediately close the nearest valve to stop the flow of oil to the leaking section.
Flowline leak	Shut in the well supplying oil to the flowline. Immediately close the nearest valve to stop the flow of oil to the leaking section.
Explosion or fire	Immediately evacuate personnel from the area until the danger is over. Immediately shut in both wells if safe to do so. If possible, close all manifold valves. If the fire is small enough such that it is safe to do so, attempt to extinguish if extinguisher is available.
Equipment failure	Immediately close the nearest valve to stop the flow of oil into the leaking area.