

**HOBBS OCD**  
**APR 22 2019**

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

F/S  
[H]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM100594
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. BELL LAKE / NMNM068292X
2. Name of Operator KAISER FRANCIS OIL COMPANY (12361)		8. Lease Name and Well No. BELL LAKE UNIT SOUTH 208H (316 706)
3a. Address 6733 S. Yale Ave. Tulsa OK 74121	3b. Phone No. (include area code) (918)491-0000	9. API Well No. 70-025-45860 (98259)
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW / 2520 FNL / 1355 FWL / LAT 32.2469143 / LONG -103.5131413 At proposed prod. zone SWSW / 330 FSL / 1230 FWL / LAT 32.2257311 / LONG -103.513539		10. Field and Pool, or Exploratory BELL LAKE SOUTH / BONE SPRING
11. Sec., T. R. M. or Blk. and Survey or Area SEC 6 / T24S / R34E / NMP		
14. Distance in miles and direction from nearest town or post office* 20 miles	12. County or Parish LEA	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 350 feet	16. No of acres in lease 438.76	17. Spacing Unit dedicated to this well 240
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 20 feet	19. Proposed Depth 10862 feet / 18690 feet	20. BLM/BIA Bond No. in file FED: WYB000055
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3614 feet	22. Approximate date work will start* 01/01/2018	23. Estimated duration 40 days
24. Attachments		

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) Stormi Davis / Ph: (575)308-3765	Date 11/15/2018
Title Regulatory Analyst		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575)234-5959	Date 04/05/2019
Title Assistant Field Manager Lands & Minerals Office CARLSBAD		

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

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

OCP Rec 04/22/19

KZ  
4/29/19

**APPROVED WITH CONDITIONS**  
Approval Date: 04/05/2019

PROVIAES NSL  
\*(Instructions on page 2)

## INSTRUCTIONS

**GENERAL:** This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

**ITEM I:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

**ITEM 4:** Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

**ITEM 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

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

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

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

## NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

**PRINCIPAL PURPOSES:** The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

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

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

**Additional Operator Remarks**

**Location of Well**

- 1. SHL: SENW / 2520 FNL / 1355 FWL / TWSP: 24S / RANGE: 34E / SECTION: 6 / LAT: 32.2469143 / LONG: -103.5131413 ( TVD: 0 feet, MD: 0 feet )
- PPP: NWSW / 2640 FNL / 1294 FWL / TWSP: 24S / RANGE: 34E / SECTION: 7 / LAT: 32.2320807 / LONG: -103.5175191 ( TVD: 10862 feet, MD: 16400 feet )
- PPP: NWNW / 0 FNL / 1298 FWL / TWSP: 24S / RANGE: 34E / SECTION: 7 / LAT: 32.2393388 / LONG: -103.5090568 ( TVD: 10862 feet, MD: 13800 feet )
- PPP: NWSW / 2600 FSL / 1300 FWL / TWSP: 24S / RANGE: 34E / SECTION: 6 / LAT: 32.2464828 / LONG: -103.5133192 ( TVD: 10862 feet, MD: 11141 feet )
- BHL: SWSW / 330 FSL / 1230 FWL / TWSP: 24S / RANGE: 34E / SECTION: 7 / LAT: 32.2257311 / LONG: -103.513539 ( TVD: 10862 feet, MD: 18690 feet )

**BLM Point of Contact**

Name: Tanja Baca  
Title: Admin Support Assistant  
Phone: 5752345940  
Email: tabaca@blm.gov

**CONFIDENTIAL**

### **Review and Appeal Rights**

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

**CONFIDENTIAL**

**PECOS DISTRICT  
DRILLING OPERATIONS  
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Kaiser Francis Oil Company
LEASE NO.:	NMNM100594
WELL NAME & NO.:	Bell Lake Unit South 208H
SURFACE HOLE FOOTAGE:	2520'/N & 1355'/W
BOTTOM HOLE FOOTAGE:	330'/S & 1230'/W
LOCATION:	Section 6, T.24 S., R.34 E., NMPM
COUNTY:	Lea County, New Mexico

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input checked="" type="radio"/> Conventional	<input type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input type="checkbox"/> COM	<input checked="" type="checkbox"/> Unit

**A. HYDROGEN SULFIDE**

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

**B. CASING**

1. The 13-3/8" surface casing shall be set at approximately 1350' (a minimum of 25' into the Rustler Anhydrite and above the salt) and cemented to surface.
  - a. **If cement does not circulate to 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 **6 hours** after pumping cement, ideally between 8-10 hours after completing the cement job.
  - b. WOC time for a primary cement job will be a minimum of **8 hours** or **500 psi** compressive strength, whichever is greater. This is to include the lead cement.
  - c. If cement falls back, remedial cementing will be done prior to drilling out that string.
  - d. WOC time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 psi compressive strength, whichever is greater.

2. The 9-5/8" intermediate casing shall be set at approximately 5200' and cemented to surface.
  - a. **If cement does not circulate to surface**, see B.1.a, b & d.
3. The minimum required fill of cement behind the 5-1/2" production casing is:
  - a. Cement shall tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

#### **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.

#### **D. SPECIAL REQUIREMENTS**

1. 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 once it has been established.
2. A commercial well determination shall be submitted after production has been established for at least six months.

**DR 3/29/2019**

## GENERAL REQUIREMENTS

1. 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)
    - Chaves and Roosevelt Counties  
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.  
During office hours call (575) 627-0272.  
After office hours call (575)
    - Eddy County  
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822
    - Lea County  
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)  
393-3612
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
  - 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 2<sup>nd</sup> 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.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
4. The record of the drilling rate along with the GR/N well log (one log per well pad is acceptable) 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 integrity 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 integrity 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 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. 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).
- c. 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.
- d. 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.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the 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**

1. 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**

2. 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.
3. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.



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

## Operator Certification Data Report

04/11/2019

### Operator Certification

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

**NAME:** Stormi Davis

**Signed on:** 11/15/2018

**Title:** Regulatory Analyst

**Street Address:** 106 W. Riverside Drive

**City:** Carlsbad

**State:** NM

**Zip:** 88220

**Phone:** (575)308-3765

**Email address:** nmogrservices@gmail.com

### Field Representative

**Representative Name:** Eric Hanson

**Street Address:** 6733 S Yale Ave

**City:** Tulsa

**State:** OK

**Zip:** 74136

**Phone:** (918)770-2682

**Email address:** erich@kfoc.net



APD ID: 10400036396

Submission Date: 11/15/2018

Highlighted data reflects the most recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

**Section 1 - General**

APD ID: 10400036396

Tie to previous NOS?

Submission Date: 11/15/2018

BLM Office: CARLSBAD

User: Stormi Davis

Title: Regulatory Analyst

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM100594

Lease Acres: 438.76

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? YES

Federal or Indian agreement: FEDERAL

Agreement number: NMNM068292X

Agreement name:

Keep application confidential? YES

Permitting Agent? NO

APD Operator: KAISER FRANCIS OIL COMPANY

Operator letter of designation:

**Operator Info**

Operator Organization Name: KAISER FRANCIS OIL COMPANY

Operator Address: 6733 S. Yale Ave.

Zip: 74121

Operator PO Box: PO Box 21468

Operator City: Tulsa

State: OK

Operator Phone: (918)491-0000

Operator Internet Address:

**Section 2 - Well Information**

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: BELL LAKE SOUTH Pool Name: BONE SPRING

Is the proposed well in an area containing other mineral resources? POTASH

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

Describe other minerals:

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

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name:

Number: 6

Well Class: HORIZONTAL

SOUTH BELL LAKE UNIT

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: EXPLORATORY (WILDCAT)

Describe sub-type:

Distance to town: 20 Miles

Distance to nearest well: 20 FT

Distance to lease line: 350 FT

Reservoir well spacing assigned acres Measurement: 240 Acres

Well plat: BLUS\_208H\_C102\_20181115112351.pdf

BLUS\_208H\_Pymt\_Receipt\_20181115140708.pdf

Well work start Date: 01/01/2018

Duration: 40 DAYS

### Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 5935A

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	2520	FNL	1355	FWL	24S	34E	6	Aliquot SENW	32.2469143	-103.5131413	LEA	NEW MEXI CO	NEW MEXI CO	S	STATE	3614	0	0
KOP Leg #1	2200	FNL	1302	FWL	24S	34E	6	Aliquot SWN W	32.2477949	-103.5133053	LEA	NEW MEXI CO	NEW MEXI CO	S	STATE	-6780	10400	10394
PPP Leg #1	2600	FSL	1300	FWL	24S	34E	6	Aliquot NWS W	32.2464828	-103.5133192	LEA	NEW MEXI CO	NEW MEXI CO	S	STATE	-7248	11141	10862

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
PPP Leg #1	0	FNL	1298	FWL	24S	34E	7	Aliquot NWN W	32.2393388	-103.5090568	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 100594	-7248	13800	10862
PPP Leg #1	2640	FNL	1294	FWL	24S	34E	7	Aliquot NWS W	32.2320807	-103.5175191	LEA	NEW MEXI CO	NEW MEXI CO	S	STATE	-7248	16400	10862
EXIT Leg #1	330	FSL	1230	FWL	24S	34E	7	Aliquot SWS W	32.2257311	-103.513539	LEA	NEW MEXI CO	NEW MEXI CO	S	STATE	-7248	18690	10862
BHL Leg #1	330	FSL	1230	FWL	24S	34E	7	Aliquot SWS W	32.2257311	-103.513539	LEA	NEW MEXI CO	NEW MEXI CO	S	STATE	-7248	18690	10862

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

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

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
	98264	Bell Lake; Bone Spring, South
<sup>4</sup> Property Code	<sup>3</sup> Property Name	<sup>5</sup> Well Number
	BELL LAKE UNIT SOUTH	208H
<sup>7</sup> OGRID No.	<sup>6</sup> Operator Name	<sup>8</sup> Elevation
12361	KAISER-FRANCIS OIL COMPANY	3613.7

<sup>10</sup> Surface Location

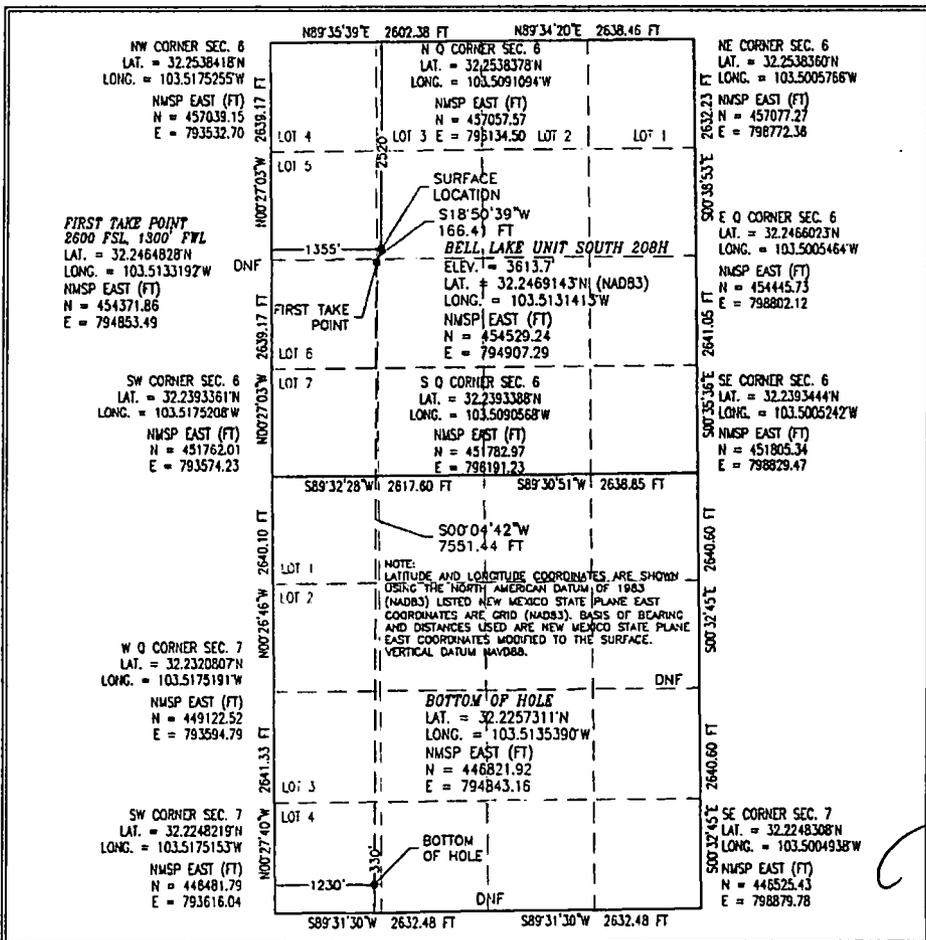
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	6	24 S	34 E		2520	NORTH	1355	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	7	24 S	34 E		330	SOUTH	1230	WEST	LEA

<sup>13</sup> Dedicated Acres	<sup>12</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup> OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  
 Stormi Davis 11/14/18  
 Signature Date  
 Stormi Davis  
 Printed Name  
 ssdavis104@gmail.com  
 E-mail Address

**<sup>18</sup> SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
 JANUARY 28, 2018  
 Date of Survey  
 Signature and Seal of Professional Surveyor:  
 Certificate Number: FILIMON F. JARAMILLO, PLS 12797  
 SURVEY NO. 5935A



## Receipt

---

### Tracking Information

Pay.gov Tracking ID: 26DH8S9N

Agency Tracking ID: 75616373045

Form Name: Bureau of Land Management (BLM) Application for Permit to Drill (APD) Fee

Application Name: BLM Oil and Gas Online Payment

### Payment Information

Payment Type: Debit or credit card

Payment Amount: \$10,050.00

Transaction Date: 11/15/2018 04:05:45 PM EST

Payment Date: 11/15/2018

Company: Kaiser-Francis Oil Company

APD IDs: 10400036396

Lease Numbers: NMNM100594

Well Numbers: 208H

Note: You will need your Pay.gov Tracking ID to complete your APD transaction in AFMSS II. Please ensure you write this number down upon completion of payment.

### Account Information

11/15/2018

Pay.gov - Receipt

Cardholder Name: GEORGE B KAISER

Card Type: Visa

Card Number: \*\*\*\*\*0061



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

# Drilling Plan Data Report

04/11/2019

APD ID: 10400036396

Submission Date: 11/15/2018

Highlighted data reflects the most recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

## Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	---	3614	0	0		NONE	No
2	RUSTLER	2214	1400	1400		NONE	No
3	SALADO	1814	1800	1800		NONE	No
4	TOP SALT	1464	2150	2150		NONE	No
5	BASE OF SALT	-1436	5050	5050		NONE	No
6	LAMAR	-1686	5300	5300		NATURAL GAS,OIL	No
7	BELL CANYON	-1836	5450	5450		NATURAL GAS,OIL	No
8	CHERRY CANYON	-2686	6300	6300		NATURAL GAS,OIL	No
9	BRUSHY CANYON	-4116	7730	7730		NATURAL GAS,OIL	No
10	BONE SPRING	-5256	8870	8870		NATURAL GAS,OIL	No
11	AVALON SAND	-5416	9030	9030		NATURAL GAS,OIL	No
12	BONE SPRING 1ST	-6386	10000	10000		NATURAL GAS,OIL	No
13	BONE SPRING 2ND	-6976	10590	10590		NATURAL GAS,OIL	Yes
14	BONE SPRING LIME	-7436	11050	11050		NATURAL GAS,OIL	No
15	BONE SPRING 3RD	-7946	11560	11560		NATURAL GAS,OIL	No
16	WOLFCAMP	-8271	11885	11885		NATURAL GAS,OIL	No

## Section 2 - Blowout Prevention

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

Pressure Rating (PSI): 5M

Rating Depth: 18000

**Equipment:** A 10M system will be installed according to Onshore Order #2 consisting of an Annular Preventer, BOP with two rams and a blind ram. BOP will be equipped with 2 side outlets (choke side shall be a minimum 3" line, and kill side will be a minimum 2" line). Kill line will be installed with (2) valves and a check valve (2" min) of proper pressure rating for the system. Remote kill line (2' min) will be installed and ran to the outer edge of the substructure and be unobstructed. A manual and hydraulic valve (3" min) will be installed on the choke line, 3 chokes will be used with one being remotely controlled. Fill up line will be installed above the uppermost preventer. Pressure gauge of proper pressure rating will be installed on choke manifold. Upper and lower kelly cocks will be utilized with handles readily available in plain sight. A float sub will be available at all times. All connections subject to well pressure will be flanged, welded, or clamped.

**Requesting Variance?** YES

**Variance request:** Flex Hose Variance

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

**Choke Diagram Attachment:**

BLUS\_208H\_Choke\_Manifold\_20181115120036.pdf

**BOP Diagram Attachment:**

BLUS\_208H\_Cactus\_10K\_BOP\_Choke\_5K\_annular\_20181115120059.pdf

BLUS\_208H\_FlexHose\_Data\_20190117073750.pdf

BLUS\_208H\_Wellhead\_Diagram\_20190117120024.pdf

### Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1350	0	1350			1350	J-55	54.5	STC	1.8	4.3	DRY	7	DRY	11.6
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	5200	0	5200			5200	HCP-110	40	LTC	1.8	3.3	DRY	6.1	DRY	6.1
3	PRODUCTION	8.5	5.5	NEW	API	N	0	18690	0	10862			18690	P-110	20	OTHER - GBCD	2.2	2.5	DRY	2.5	DRY	3

**Casing Attachments**

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**Casing Attachments**

---

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

BLUS\_208H\_Casing\_Assumptions\_20190117120530.pdf

---

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

BLUS\_208H\_Casing\_Assumptions\_20190117120549.pdf

---

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

BLUS\_208H\_GBCD\_5.5in\_Connection\_Spec\_Sheet\_20181115124528.pdf

BLUS\_208H\_Casing\_Assumptions\_20190117120601.pdf

---

**Section 4 - Cement**

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1350	1053	1.34	14.8	1406	50	Premium C	Accelerator

INTERMEDIATE	Lead		0	5200	940	2.45	12.6	2300	75	Premium C	Extender
INTERMEDIATE	Tail		0	5200	410	1.34	14.8	547	75	Premium C	Accelerator
PRODUCTION	Lead		4500	1869 0	1965	1.91	13.2	3750	15	Class H	Retarder

### Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

### Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
5200	1869 0	OTHER : Cut Brine	8.8	8.9							
1350	5200	OTHER : Brine	8.8	8.9							
0	1350	OTHER : Fresh Water	8.4	9							

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

### Section 6 - Test, Logging, Coring

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

Top of cement on production casing will be determined by calculation.

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

GR,MUDLOG

**Coring operation description for the well:**

None planned

### Section 7 - Pressure

**Anticipated Bottom Hole Pressure:** 5045

**Anticipated Surface Pressure:** 2655.36

**Anticipated Bottom Hole Temperature(F):** 165

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

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards attachment:**

**Hydrogen Sulfide drilling operations plan required?** YES

**Hydrogen sulfide drilling operations plan:**

BLUS\_208H\_H2S\_Contingency\_Plan\_20181115124848.pdf

### Section 8 - Other Information

**Proposed horizontal/directional/multi-lateral plan submission:**

BLUS\_208H\_\_Well\_Plan\_v1\_20181115124917.pdf

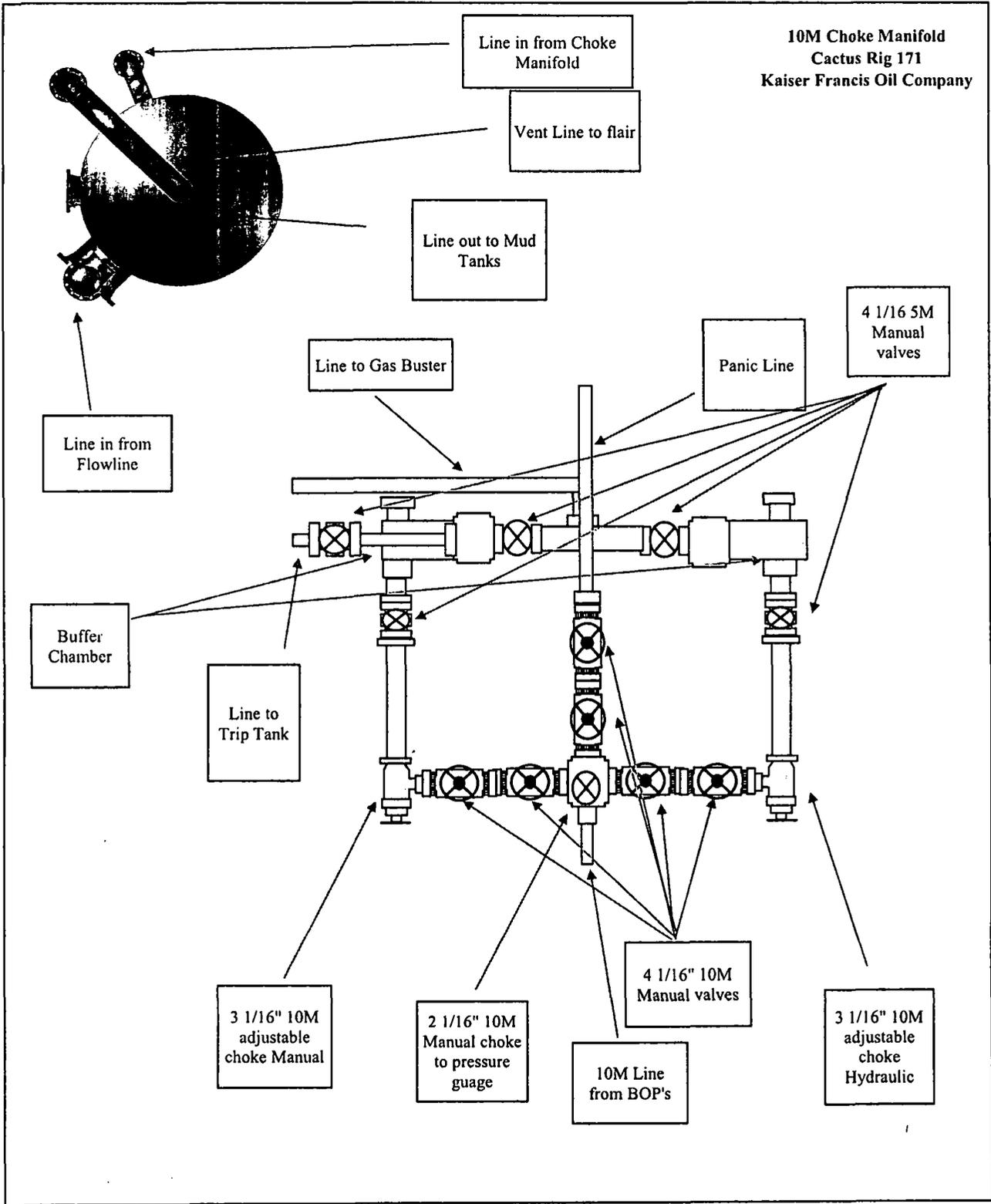
**Other proposed operations facets description:**

Gas Capture Plan attached

**Other proposed operations facets attachment:**

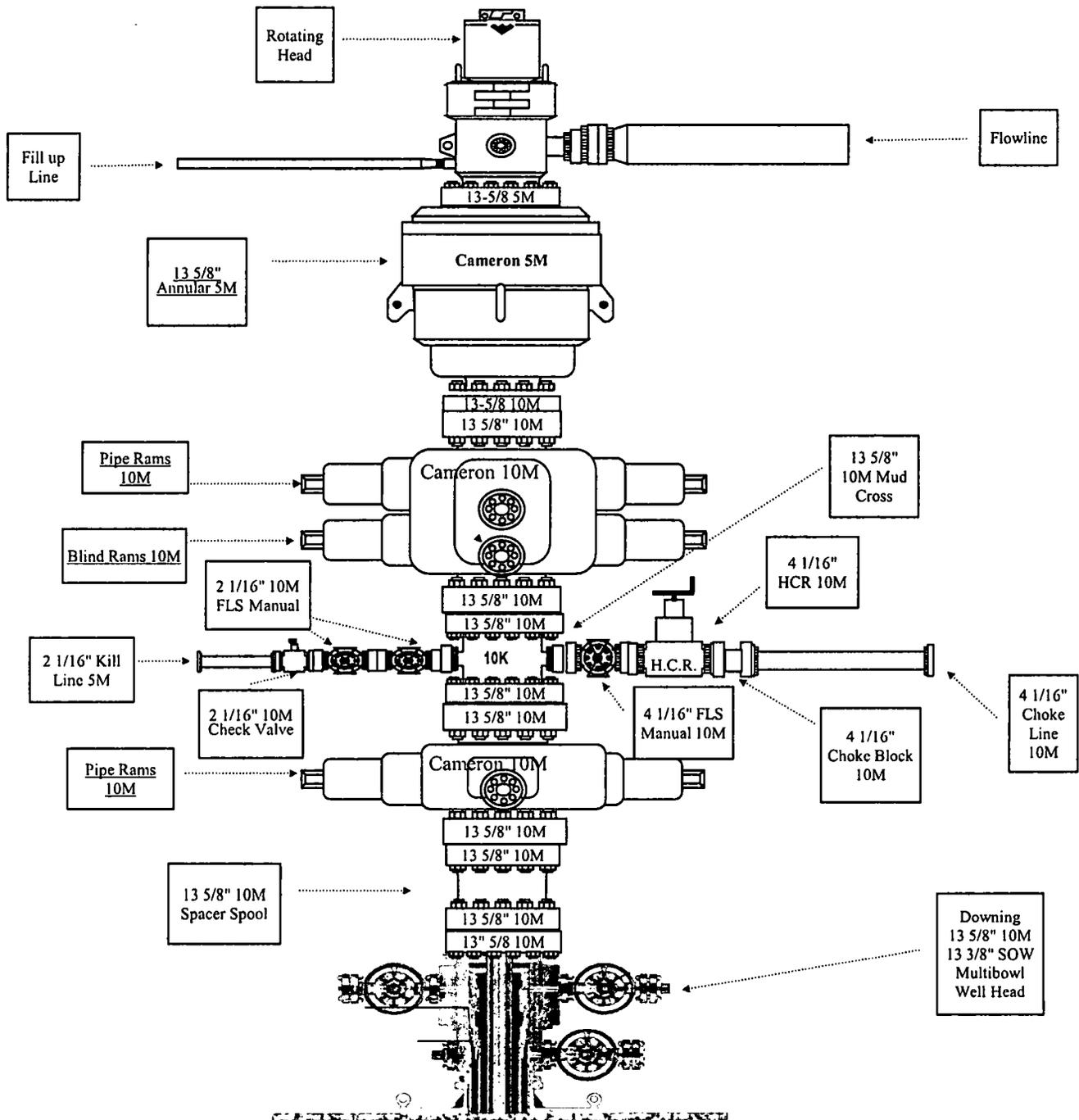
BLUS\_208H\_Gas\_Capture\_Plan\_20181115124938.pdf

**Other Variance attachment:**



Cactus Rig 171  
 10M BOP with 5M Annular  
 Kaiser Francis Oil Company

**Hole Sections Utilized**  
 \*12 1/4" Hole below Surface Casing  
 \*8 3/4"-8 1/2" Hole below Intermediate casing





GATES E & S NORTH AMERICA, INC.  
 7603 Prairie Oak Dr.  
 Houston, TX 77086

PHONE: 281-602-4119  
 FAX:  
 EMAIL: Troy.Schmidt@gal  
 WEB: www.gates.com

**10K ASSEMBLY PRESSURE TEST CERTIFICATE**

Customer :	A-7 AUSTIN INC DBA AUSTIN HOSE	Test Date:	10/3/2017
Customer Ref. :	4086301	Hose Serial No.:	H-100317-2
Invoice No. :	508588	Created By:	Irene Pizana

Product Description: 10K3.035.0CM4.1/16FLGE/E

End Fitting 1 :	4 -1/16 10K FLANGE - FIXED	End Fitting 2 :	4 -1/16 10K FLANGE - FLOATING
Gates Part No. :	68603010-9710398	Assembly Code :	L39789092117H-100317-2
Working Pressure :	10,000 PSI	Test Pressure :	15,000 PSI

Gates E & S North America, Inc. certifies that the following hose assembly has successfully passed all pressure testing requirements set forth in Section 9.7.7 and Table 10 of API 7K, Sixth Edition (December 2015).

Quality:	QUALITY
Date :	10/3/2017
Signature :	<i>Irene Pizana</i>

Production:	PRODUCTION
Date :	10/3/2017
Signature :	<i>Troy Schmidt</i>

Form PTC - 01 Rev.0 2





Gates E&S North America, Inc.  
7603 Prairie Oak Dr.  
Houston, TX. 77086  
PHONE :  
FAX:  
[Troy.Schmidt@gates.com](mailto:Troy.Schmidt@gates.com)

**CERTIFICATE OF CONFORMANCE**

This is to verify that all Parts and/or Materials included in this shipment have been manufactured and/or processed in Conformance with applicable drawings and specifications, and that Records of Required Tests are on file and subject to examination. The following items were assembled at **Gates E & S, North America Inc.**, facilities in Houston, TX, USA. This hose assembly was designed and manufactured to meet requirements of API Spec 7K.

CUSTOMER: A-7 AUSTIN INC DBA AUSTIN HOSE  
CUSTOMERS P.O.#: 4086301  
PART DESCRIPTION: 10K3.035.0CM4.1/16FLGE/E  
SALES ORDER #: 508588  
QUANTITY: 1  
SERIAL #: H-100317-2

SIGNATURE:   
TITLE: QUALITY ASSURANCE  
DATE: 10/3/2017



# JOB REPORT

## COMPANY DETAILS

Company: Austin  
 Contact:  
 Phone:

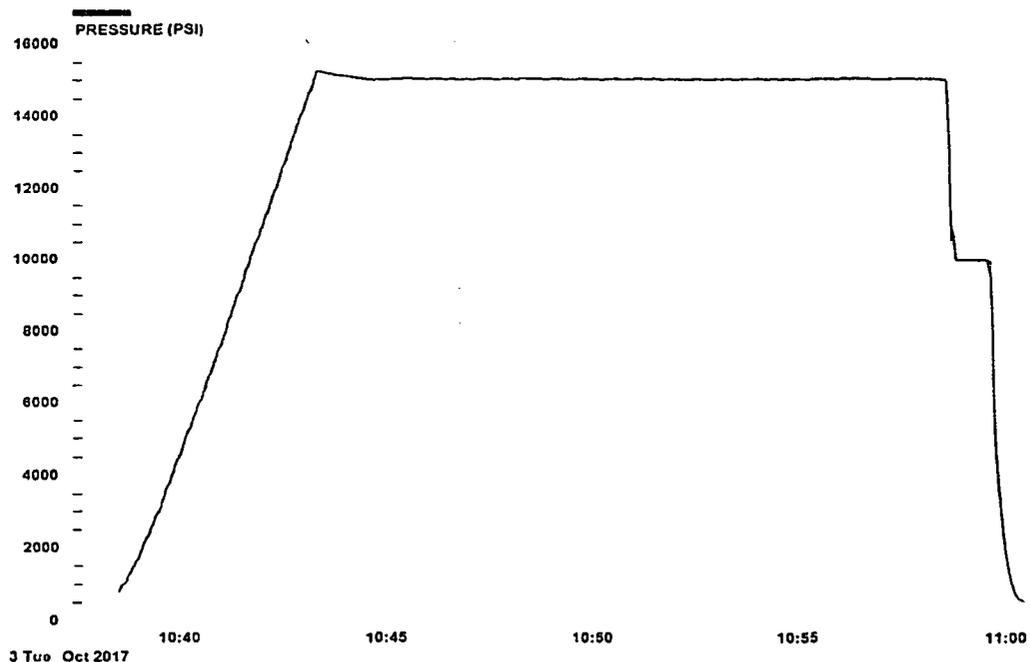
Email: irene.pizana@gates.com

## JOB DETAILS

DATE	October 03, 2017	Length:	35'
START TIME	10:38:29	Inner Diameter:	3.0"
END TIME	11:00:25	Pressure Test:	Pass
Gates Rep:	Chris Olivo	Internal Inspection:	N/A
Recommendation:	H-100317-2	Fitting Type:	10K Flange ExE
Working Pressure:	10000		
Ext Inspection:	Pass		
Fitting Inspection:	Pass		
Test pressure:	15000		
Serial No:	H-100317-2		



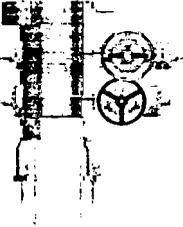
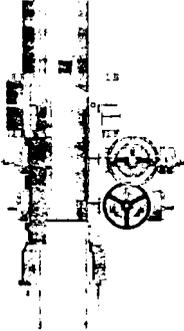
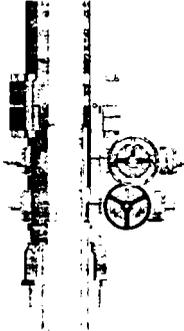
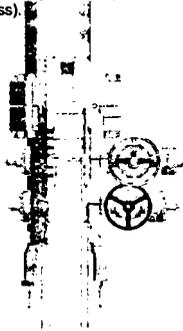
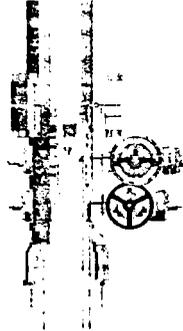
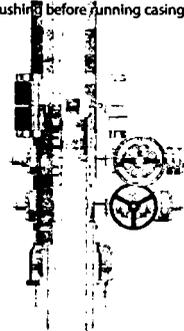
## SUMMARY GRAPH

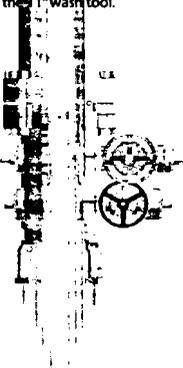
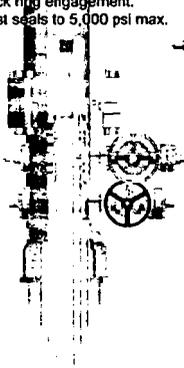
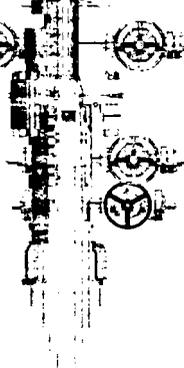
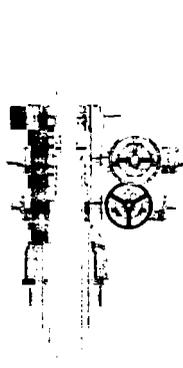


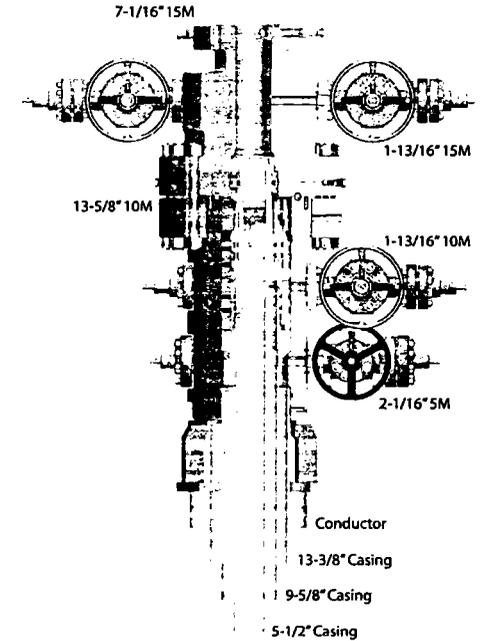


# 13-5/8" 10M MN-DS Wellhead System Installation Sequence

Kaiser-Francis Oil Company

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
<ul style="list-style-type: none"> <li>Install 13-5/8"-10K MD-DS housing (13" capping flange will be pre-installed).</li> <li>Weld and test to 500 psi.</li> </ul>	<ul style="list-style-type: none"> <li>Run the 13-5/8" long wear bushing to protect all sealing areas in housing.</li> <li>Drill 12.25" surface hole.</li> <li>Retrieve the 13-5/8" long wear bushing before running casing.</li> </ul>	<ul style="list-style-type: none"> <li>Hang off 9-5/8" casing on mandrel hanger and verify that it is landed via annular outlet valve.</li> <li>Run the 13" wash tool.</li> </ul>	<ul style="list-style-type: none"> <li>Install the 13-5/8" x 9-5/8" pack-off assembly with joint of drill pipe made up under running tool for weighted assistance.</li> <li>Perform 20K over pull to verify lock ring engagement.</li> <li>Test seals to 5,000 psi or 80% of casing collapse (whichever is less).</li> </ul>	<ul style="list-style-type: none"> <li>Make up 11" test plug to drill pipe joint and check OD seals for damage, replacing as needed. Land in pack-off assembly, verifying it has landed properly and perform BOP pressure test.</li> </ul>	<ul style="list-style-type: none"> <li>Make up 11" wear bushing running tool to drill pipe. Make up short wear bushing into running tool and check seals for damage, replacing as needed. Land short wear bushing in pack off assembly.</li> <li>Drill 8.75" intermediate hole.</li> <li>Retrieve the 11" short wear bushing before running casing.</li> </ul>
					

Step 7	Step 8	Step 11	Emergency Slips
<ul style="list-style-type: none"> <li>Hang 5-1/2" casing on mandrel. Use RKB measurements to verify hanger is landed properly (not able to visually verify landed via annular outlet valve due to nested pack-off).</li> <li>Run the 11" wash tool.</li> </ul>	<ul style="list-style-type: none"> <li>Install the pack-off assembly with joint of drill pipe made up under running tool for weighted assistance.</li> <li>Perform 50K over pull to verify lock ring engagement.</li> <li>Test seals to 5,000 psi max.</li> </ul>	<ul style="list-style-type: none"> <li>Install 13-5/8"-5K x 7-1/16"-15K tubing spool</li> </ul>	<ul style="list-style-type: none"> <li>Emergency slips for 9-5/8" (casing slips and pack-off) and 5-1/2" casing (casing slips and no pack-off).</li> </ul>
			



Kaiser-Francis Oil Company  
BLUS 208H

Interval	Length	Casing Size	Weight (lb/ft)	Grade	Thread	Condition	Hole Size	TVD (ft)	Mud Type	Mud Weight Hole Control	Viscosity	Fluid Loss	Anticipated Mud Weight (ppg)	Max Pore Pressure (psi)	Collapse (psi)	Burst (psi)	Body Tensile Strength	Joint Tensile Strength	Collapse Safety Factor (Min 1.1)	Burst Safety Factor (Min 1.0)	Body Tensile Safety Factor (Min 1.8)	Joint Tensile Safety Factor (Min 1.8)
Conductor	120'	20"				New		120														
Surface	1350'	13-5/8"	54.5	J-55	STC	New	17-1/2"	1350	FW	8.4 - 9.0	32 - 34	NC	9	632	1.30	2730	853000	514000	1.8	4.3	11.6	7.0
Intermediate	5200'	9-5/8"	40	HCP-110	LTC	New	12-1/4"	5200	Brine	8.8 - 8.9	28	NC	8.9	2407	4230	7900	1260000	1266000	1.8	3.3	6.1	6.1
Production	18690'	5-1/2"	20	P110	GBCD	New	8-1/2"	10862	Cut Brine	8.8 - 8.9	28-29	NC	8.9	5027	11100	12640	641000	548000	2.2	2.5	3.0	2.5

**GB Connection Performance Properties Sheet**

Rev. 3 /08/25/2015)

ENGINEERING THE RIGHT CONNECTIONS™

 Casing: 5.5 OD, 20 ppf  
 Casing Grade: P-110

 Connection: GB CD Butt 6.050  
 Coupling Grade: API P-110


PIPE BODY GEOMETRY					
Nominal OD (in.)	5 1/2	Wall Thickness (in.)	0.361	Drift Diameter (in.)	4.653
Nominal Weight (ppf)	20.00	Nominal ID (in.)	4.778	API Alternate Drift Dia. (in.)	N/A
Plain End Weight (ppf)	19.83	Plain End Area (in. <sup>2</sup> )	5.828		

PIPE BODY PERFORMANCE					
Material Specification	P-110	Min. Yield Str. (psi)	110,000	Min. Ultimate Str. (psi)	125,000
Collapse		Tension		Pressure	
API (psi)	11,100	Pl. End Yield Str. (kips)	641	Min. Int. Yield Press. (psi)	12,640
High Collapse (psi)	N/A	Torque		Bending	
		Yield Torque (ft-lbs)	74,420	Build Rate to Yield (°/100 ft)	91.7

GB CD Butt 6.050 COUPLING GEOMETRY			
Coupling OD (in.)	6.050	Makeup Loss (in.)	4.2500
Coupling Length (in.)	8.500	Critical Cross-Sect. (in. <sup>2</sup> )	6.102

GB CD Butt 6.050 CONNECTION PERFORMANCE RATINGS/EFFICIENCIES					
Material Specification	API P-110	Min. Yield Str. (psi)	110,000	Min. Ultimate Str. (psi)	125,000
Tension		Efficiency		Bending	
Thread Str. (kips)	667	Internal Pressure (%)	98%	Build Rate to Yield (°/100 ft)	83.3
Min. Tension Yield (kips)	638	External Pressure (%)	100%	Yield Torque	
Min. Tension Ult. (kips)	725	Tension (%)	100%	Yield Torque (ft-lbs)	31,180
Joint Str. (kips)	667	Compression (%)	100%		
		Ratio of Areas (Cplg/Pipe)	1.05		

MAKEUP TORQUE					
Min. MU Tq. (ft-lbs)	10,000	Max. MU Tq. (ft-lbs)	20,000	Running Tq. (ft-lbs)	See GBT RP
				Max. Operating Tq. (ft-lbs)*	29,620

Units: US Customary (lbm, in., °F, lbf)

1 kip = 1,000 lbs

\* See Running Procedure for description and limitations.

See attached: Notes for GB Connection Performance Properties.

 GBT Running Procedure (GBT RP): [www.gbtubulars.com/pdf/RP-GB-DWC-Connections.pdf](http://www.gbtubulars.com/pdf/RP-GB-DWC-Connections.pdf)

 Blanking Dimensions: [www.gbtubulars.com/pdf/GB-DWC-Blanking-Dimensions.pdf](http://www.gbtubulars.com/pdf/GB-DWC-Blanking-Dimensions.pdf)

Connection yield torque rating based on physical testing or extrapolation therefrom

ENGINEERING THE RIGHT CONNECTIONS™

1. All dimensions shown are nominal. Plain end weight is calculated in accordance with API TR 5C3. Performance properties are empirical, based on nominal dimensions, minimum material yield and ultimate strengths, and calculated in general accordance with industry standard formula(s) assuming uniaxial loading. All properties are calculated on the basis of materials at room temperature. NOTE: Material properties change with temperature.
2. Joint strength is the lesser of pipe thread strength and minimum coupling tension as calculated in accordance with API TR 5C3. Tensile efficiency is calculated using coupling strength based on ultimate material strength per API TR 5C3 divided by plain end yield strength of the casing. Minimum Coupling Tension based on material *yield* strength is provided *for information only*. Performance values presented for tension do not account for failure by pull-out (which can occur for casing with larger D/I ratios), effects of internal and external pressure, thermally induced axial loads, casing curvature (bending), and/or other static and dynamic loads that may occur singularly or in combination during downhole deployment and with subsequent well operations.
3. Drift diameters are based on Standard and Alternate drift sizes per API 5CT. Drift diameters are not specified for API 5L pipe. Drift diameters shown on GB Connection Performance Property Sheets represent the diameter of the drift mandrel used for end-drifting after coupling buck on. When shown, the alternate drift diameter is used for end drifting. Drift testing is performed in accordance with currently applicable API Specifications.
4. Minimum Internal Yield Pressure Performance values for Casing (API 5CT), Line Pipe (API 5L), and mill casing proprietary grades are based on API TR 5C3 formulas and assume 87.5% minimum wall thicknesses. Minimum Internal Yield Pressure efficiency for GB Connections is the lesser of the Minimum Internal Yield Pressure of the coupling and Leak Resistance divided by pipe body Minimum Internal Yield Pressure (all based on API TR 5C3 formulas). GB Connections typically demonstrate pressure resistance exceeding the mating pipe body unless otherwise noted with a pressure efficiency < 100%. Pressure efficiency can only be achieved when connections are properly assembled in strict accordance with GB Tubulars' Running Procedures ([www.gbtubulars.com/pdf/RP-GB-DWC-Connections.pdf](http://www.gbtubulars.com/pdf/RP-GB-DWC-Connections.pdf) and [www.gbtubulars.com/pdf/RP-20-GB-Butt-and-GB-3P.pdf](http://www.gbtubulars.com/pdf/RP-20-GB-Butt-and-GB-3P.pdf)).
5. Compression efficiency of the Casing/Connection combinations does not consider the axial load that causes pipe body buckling. The compressive load that causes buckling is usually less than the pipe body compressive yield strength and is dependent on a number of factors including, but not limited to, string length (or slenderness ratio; L/D), thermally induced axial loads, and annular clearance that may (or may not) lend side support to the casing string.
6. Bending values assume a constant radius of curvature where the casing is in uniformly intimate contact with the wall of the wellbore (i.e. when the upset at the coupling OD is small compared with wellbore wall irregularities). When the radius of curvature is not constant due to large wellbore wall irregularities, varying trajectory, micro doglegs, wash-outs, rock ledges, and other downhole conditions, unpredictable excessive bending stresses can occur that may be detrimental to casing and connection performance.
7. Fatigue failures are a function of material properties, stress range, and number of stress reversal cycles. API 5CT, API 5L, and mill proprietary casing/coupling materials have a finite fatigue life. Higher stress ranges yield lower fatigue life. So as a general rule of thumb, casing should never be rotated at higher RPMs than needed for task accomplishment. For the same stress range, casing rotated at 25 RPMs will generally last 4 times longer (more rotating hours) than casing rotated at 100 RPMs. However with fatigue, there are opportunities for unexpected higher stress reversal levels associated with vibration, thermally induced axial loads, and bending (see above) in addition to all other stress reversals imparted during running, rotating, reciprocating, pressure testing, pumping, etc. The extent and quality of the cement job is also a factor. Under aggressive, high-volume, multi-stage hydraulic fracturing operations, the casing string (including the connections) is severely taxed such that local stress range(s) and actual number of applied cycles cannot be precisely determined without full string instrumentation.
8. External pressure efficiency (expressed in percent) is the ratio of the lesser of Minimum Internal Yield Pressure and Leak Resistance for coupling (calculated per API TR 5C3) divided by the API collapse rating of the casing. External pressure efficiency has not been verified by testing and does not consider other applied loads. External pressure efficiency does not account for any high collapse rating that may be shown on GB Connection Performance Property Sheets.
9. Maximum Makeup Torque is provided for guidance only. This value is not the same as the Connection Yield Torque shown. Connection Yield Torque is the lesser of yield torque rating for the critical cross-section of pipe body, connector body, and pin nose and the threadform load flank bearing area. Connection Yield Torque does not consider radial buckling of the pipe or connection due to excessive jaw pressure during torque application. Torque in connections can increase or decrease over that applied at makeup (connection tightening/loosening) with rotating and stimulation operations due to slip-stick, shock loads, bending, tight spots, vibration(s), temperature, and other downhole factors that may occur individually or in combination. Due to circumstances beyond the control of GB Tubulars, User accepts all risks associated with casing and connection related issues that occur during and after rotating operations.
10. **Every** GB Connection requires the proper amount and distribution of thread compound to all pin and coupling threads and careful field make up in strict accordance with GB Tubulars' Running Procedures to provide expected levels of performance in service.
11. Reactions among water, drilling muds and other fluids, and chemicals introduced by User with downhole formation fluids may result in an environment detrimental to casing and connection performance. User should carefully consider all aspects of the string design including material compatibility with respect to possible corrosion, sour conditions, and other factors that may result in unexpected casing and/or connection failure at or below published ratings.
12. Performance Properties are subject to change without notice. User is advised to obtain the current GB Connection Performance Property Sheet for each application.

**Limitations**

Data presented in GB Performance Property Sheets and Running Procedures ("GB Information") is provided for informational purposes only and intended to be supplemented by the professional judgment of qualified personnel during design, field handling, deployment, and all subsequent well operations. The use of GB Information is at the User's sole risk.

GB Tubulars, Inc.'s Terms and Conditions of Sale, including, but not limited to, Paragraph 10 ("Warranty; Disclaimer"), Paragraph 11 ("Limitation of Remedies"), and Paragraph 18 ("Subsequent Buyers") thereof, are incorporated into the GB Information for all purposes. By using GB Information, the User represents and warrants to GB Tubulars, Inc. that the User has read and understands GB Tubulars, Inc.'s Terms and Conditions of Sale and agrees to be bound thereby. GB Tubulars, Inc.'s Terms and Conditions of Sale are posted on its website and available for viewing and downloading at the following link: [www.gbtubulars.com/pdf/Terms-and-Conditions.pdf](http://www.gbtubulars.com/pdf/Terms-and-Conditions.pdf).

All sales made by GB Tubulars, Inc. are subject to its Terms and Conditions of Sale, reference to which is hereby made for all purposes. GB Tubulars, Inc.'s Terms and Conditions of Sale are posted on its website and available for viewing and downloading at the following link: [www.gbtubulars.com/pdf/Terms-and-Conditions.pdf](http://www.gbtubulars.com/pdf/Terms-and-Conditions.pdf). Purchasers and users of any product(s) from GB Tubulars, Inc. automatically agree to be bound by GB Tubulars, Inc.'s Terms and Conditions of Sale.



Running Procedure for Casing with  
GB Drilling with Casing Connections

October 29, 2007

Rev. 12 (11/25/2013)

## OVERVIEW

This field running procedure applies to makeup of **GB Drilling with Casing** (GB DwC) Connections which include GB CD, GB WS, GB HB, GB CDE, GB WSE, and GB HBE Connections with GB Butt (Buttress), GB 4P, and GB 3P thread forms. All of these connections are suitable for **Running** (standard casing applications), **Rotating** (to aid string advancement), **Drilling** (Drilling with Casing/Drilling with Liners) and **Driving**. This procedure also applies to the legacy GB Connections known as GB Butt and GB 3P.

Numerous factors impact the makeup torque of Buttress (GB Butt) and Modified Buttress Threads (such as GB 4P and GB 3P). Some of these factors include but are not limited to: allowable threading tolerances, joint characteristics (OD, straightness, and weight), vertical alignment (derrick, top drive, and elevator alignment relative to rotary table), thread compound (amount and distribution), snub line (location and orientation), distance between tongs and backups, temperature/weather, equipment type, efficiencies (electrical, hydraulic and mechanical), grips/dies (type, orientation, location, contact area, and distribution), measurement equipment, gauge calibration, personnel, etc. The nature of these types of connections makes it impossible to provide makeup torque values that will yield proper power tight makeup on every rig under all circumstances with the wide variety of existing connection makeup equipment. This procedure has been designed to determine the **Running Torque** required for proper power tight makeup of GB Connections under the circumstances and with the actual equipment, set up conditions, weather, etc. that exist at the time of running. With proper execution of this procedure, GB Connections will be properly and consistently assembled. This GB Running Procedure provides the basic recommended practices and is intended to be supplemented by the professional judgment of qualified personnel based on observation of actual makeups throughout the casing run.

## DEFINITIONS

1. **Minimum Makeup (MU) Torque:** Connections must have at least this amount of torque applied.
2. **Shoulder Torque:** MU torque required to achieve shoulder engagement.
3. **Running Torque:** Developed at start of casing run per GB Running Procedure and once established, used for the rest of the joints in the string. The **Running Torque** will likely vary with each job due to the factors listed in the Overview section.
4. **Delta Torque:** Difference between shoulder torque and final makeup torque.
5. **Maximum MU Torque:** Assembly torque shall not exceed the Maximum Makeup Torque shown on size, weight, and grade-specific GB Performance Property Sheets during routine assembly.
6. **Yield Torque:** Torque that causes yielding in the connection (usually yielding of the pin nose). Yield torque rating does **NOT** consider the torque that may radially buckle the pipe body at the grip points.
7. **Maximum Operating Torque:** Yield Torque with 5% Safety Factor. The Maximum Operating Torque is **NOT** the Maximum Makeup Torque and is **NOT** a sustainable rotating torque. Operating at the Maximum Operating Torque for any length of time may damage the connection. User should carefully consider this value to determine if more than a 5% Safety Factor on yield torque is suitable for the application.

## KEY INFORMATION

**Thread Compound:** Best-O-Life 2000, API Modified, API Modified Hi-Pressure, or any industry recognized equivalent to these products. Thread compound may also be referred to as "dope".



Running Procedure for Casing with  
GB Drilling with Casing Connections

October 29, 2007

Rev. 12 (11/25/2013)

Torque Values: See individual GB Connection Performance Property Sheets available at the following link; [http://www.gbtubulars.com/connection\\_selector.php](http://www.gbtubulars.com/connection_selector.php).

Continuous Makeup: Makeup of GB Connections **SHALL START AND CONTINUE WITHOUT STOPPING** until full power tight makeup is achieved.

Makeup Speed: Use of high gear at no more than 20 RPMs is permissible once proper starting thread engagement has occurred. **THE FINAL TWO (2) TURNS, AT A MINIMUM, SHALL BE COMPLETED IN LOW GEAR AT LESS THAN 6 RPMS.**

Shoulder Engagement: Pin nose engagement. Shoulder engagement is indicated by a spike on an analog torque gauge or a sharp vertical spike on a torque vs. turn plot. As a secondary check, proper power tight makeup is achieved when the coupling covers approximately half of the API Triangle Stamp on the pin.

Acceptance Criteria: All GB Connections must exhibit shoulder engagement (achieve pin-to-pin or pin-to-shoulder engagement) with a minimum delta torque  $\geq 10\%$  of the shoulder torque.

It is imperative that the following procedure be executed carefully at the beginning of the run to determine the **Running Torque** (torque to be used for the rest of the string). The **Running Torque** is determined while running the first 10 joints exclusive of joints assembled with threadlocking compounds. Sometimes more than the first 10 joints will be needed to establish the **Running Torque** due to erratic results and/or rig-specific conditions. The **Running Torque** may have to be re-established during the casing run under certain conditions<sup>1</sup>. Use the size-specific GB Connection Performance Property Sheets ([http://www.gbtubulars.com/connection\\_selector.php](http://www.gbtubulars.com/connection_selector.php)) for physical properties and torque values.

Each GB Connection Performance Property Sheet presents calculated Yield Torque values for the pipe body and connection which are based on nominal dimensions and minimum material yield strength. The Maximum Operating Torque shown on the GB Connection Performance Property Sheets includes a 5% safety factor on Yield Torque. As such, it represents the limiting torque **spike** that can be applied to the connection during rotating operations. The Maximum Operating Torque is **NOT** the Maximum Makeup Torque and is **NOT** a sustainable rotating torque. Operating at the Maximum Operating Torque for any length of time will likely damage the connection.

Connections shall be made up until shoulder engagement with delta torque  $\geq 10\%$  of the shoulder torque (not to exceed the maximum makeup torque, see procedure below) using the **Running Torque** value established in this procedure. The Maximum Makeup Torque at the beginning and throughout the run shall be limited to the value shown on the applicable GB Connection Performance Property Sheet. The maximum torque value is given as a practical limit for avoidance of thread galling, connection damage, and possible tube damage due to excessive jaw pressure that can occur with application of extreme makeup torque. Contact GB Tubulars if more than the Maximum Makeup Torque value is required for shoulder engagement and/or final make up, or if torque exceeding the Maximum Operating Torque value is required for the intended service.

<sup>1</sup> Examples include but are not limited to more than an occasional low delta torque, string of mixed mills, equipment change, large temperature change, and wobbling or noticeable vibration when joint is turning.



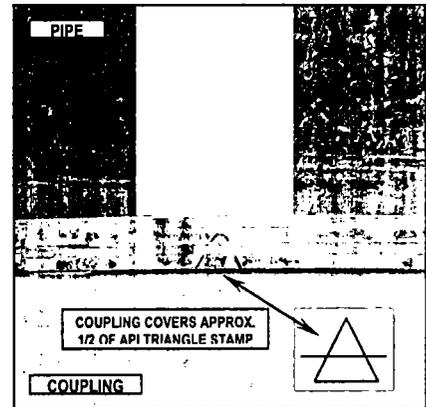
Running Procedure for Casing with  
GB Drilling with Casing Connections

October 29, 2007

Rev. 12 (11/25/2013)

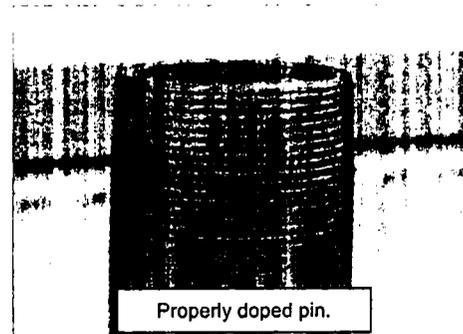
**PROCEDURE FOR ESTABLISHING RUNNING TORQUE**

1. Remove coupling thread protectors only after casing is set in V-Door.
2. **Always apply fresh thread compound to coupling threads and internal shoulder (where applicable).** See Comment No. 1 (below) for discussion on proper amount of thread compound.
3. Remove pin thread protectors only after joint is raised in the derrick. Visually inspect pin threads for sufficient thread compound as described in Comment No. 1; **add fresh compound to pin threads and pin nose.**
4. Fresh thread compound should **NEVER** be added on top of dope contaminated with dust, dirt, and/or debris. Threads observed to have contaminated thread compound shall be thoroughly cleaned and dried before applying fresh thread compound.
5. Stab the pin carefully into the coupling of the joint hanging in the rotary table. A stabbing guide is recommended to protect the pin nose and leading thread from physical damage that may contribute to thread galling. Make up each connection until shoulder engagement plus delta torque  $\geq 10\%$  of the shoulder torque without exceeding the Maximum Makeup Torque. Record the shoulder torque observed for the first 10 joints (excluding threadlocked accessory joints). The **Running Torque** is (a) the Minimum Makeup Torque shown on the GB Connection Performance Property Sheets **or** (b) the Maximum Shoulder Torque recorded from the first 10 makeups + 10%, **whichever is higher** (rounded to the next highest 500 ft.-lbs.) When making up the initial joints for establishing the **Running Torque** carefully watch the torque gauge for the shoulder torque and try to manually shut down the tongs before reaching Maximum Makeup Torque shown on the GB Connection Performance Property Sheets. Alternately, the dump valve should be set to the Maximum Makeup Torque during this initial process.
6. After the first 10 makeups (more if necessary due to conditions at the time of the run), use the "**Running Torque**" established in Step 5 for the remainder of the string. A dump valve is strongly recommended to stop makeup once the established **Running Torque** is achieved.
7. All connections made up with the established **Running Torque** should achieve shoulder engagement with the minimum amount of delta torque. Carefully watch for the spike on the torque gauge during each makeup to verify shoulder engagement. As a **secondary** verification, randomly check the makeup position relative to the API Triangle Stamp during the run. Proper power tight makeup position is achieved when the coupling covers approximately half of the API Triangle Stamp on the pin (see accompanying photo).



**COMMENTS, TROUBLESHOOTING**

1. GB Connections are thread compound friendly. Thread compounds shall be handled, mixed, and applied in strict accordance with the manufacturer's instructions. **THREAD COMPOUND SHALL BE APPLIED TO BOTH PIN AND COUPLING THREADS AND SHOULDER OF EVERY CONNECTION.** Sufficient thread compound has been applied when all threads (pin and coupling), pin nose, and coupling ID surfaces are completely covered **WITH NO GAPS OR BARE SPOTS.** The thread form should be discernible beneath the compound; i.e. when the thread valleys appear half full. Be generous with the thread compound; but avoid over-doping to the point where **excessive** amounts are squeezed out during assembly.





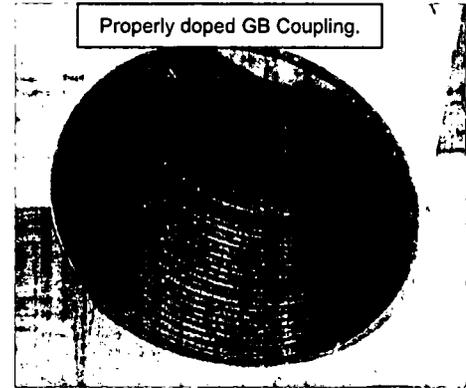
Running Procedure for Casing with  
GB Drilling with Casing Connections

October 29, 2007

Rev. 12 (11/25/2013)

Use of a mustache brush is the preferred method for applying and distributing thread compounds to GB Connections.

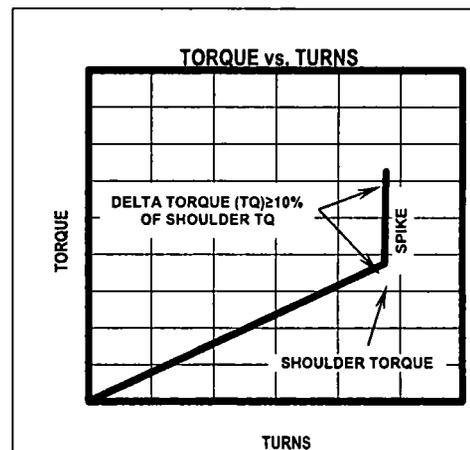
2. If threads are cleaned on racks, new dope shall be applied in a light, even coat to both pin and coupling threads. See Comment No. 1 above for description of sufficient thread compound. Clean thread protectors shall be re-applied to freshly doped pin and coupling threads unless the casing run is imminent (no more than a few hours) to avoid contaminating exposed thread compound.
3. All connections should achieve shoulder engagement before reaching the "**Running Torque**" value determined by this procedure. Any connection that does not achieve shoulder engagement at the established "**Running Torque**" value shall be visually inspected for position relative to the API Triangle Stamp.
  - a) If the coupling is shy of the API Triangle Stamp Base, the connection shall be broken out, cleaned and inspected visually for thread damage, re-doped, and made-up again (or laid down if threads are damaged). Connections that have not achieved shoulder engagement **SHALL NEVER** be backed up a couple of turns and remade. They shall be completely broken out, cleaned and inspected as described above.
  - b) If the coupling covers the API Triangle base but does not cover approximately half of the Triangle Stamp, add additional torque to achieve shouldering and finish the makeup. It is common to see high torque (possibly exceeding the recommended maximum torque) to initiate connection turning. This is acceptable as long as the torque drops off once movement starts and then spikes with shoulder engagement. If acceptable makeup doesn't occur with one additional torque application, the connection shall be broken out (as described in 3a above).
  - c) Any connection not properly assembled (i.e. not meeting the acceptance criteria) in two (2) attempts (provided threads pass a visual inspection each time) is reject and shall be laid down.
4. At the established **Running Torque**, the connections will generally shoulder with at least 10% delta torque. High interference connections will tend to have a higher shoulder torque and less delta torque (at least 10% of the shoulder torque is required). Low interference connections will tend to have lower shoulder torque and more delta torque. In general, the GB Connections makeup consistently but will vary due to any of the factors enumerated in the second paragraph of the Overview section of this procedure. However, wide variability on more than a few joints should be investigated for a root cause and, if necessary, a new **Running Torque** should be established following the same procedure used at the start of the casing run.
5. It is recommended to have a few spare, loose couplings available in the event coupling threads become damaged on the rig. This allows changing out a coupling without having to lay a joint(s) down. Pin threads shall be cleaned and inspected visually for thread damage and re-doped before installing a replacement coupling (or the joint shall be laid down if pin threads under the removed coupling are damaged and cannot be field repaired).
  - For GB CDE (and other GB Connections with internal shoulders) install the coupling hand tight (use of strap wrenches to assist is permitted) and then make up with power tongs to shoulder engagement using the above established **Running Torque**.
  - GB CD Connections are made up to a precise position at the threading plant (mill side). Prior to removing a damaged coupling, a radial paint band should be applied to the pipe body to mark the position of the existing coupling. After removal, install the new coupling hand tight (use of strap wrenches to assist is permitted) and then make





up with power tongs to the exact same position using the previously applied paint band as the indicator.

6. **Torque vs. Turn monitoring systems are recommended for field makeup of GB Connections.** While Torque vs. Turn plots provide good information about makeup, they **SHALL NOT BE SUBSTITUTED FOR DIRECT VISUAL OBSERVATION OF THE CONNECTION DURING ASSEMBLY.** There is no second chance to watch field assembly of a connection. Torque vs. Turn plots can always be viewed for verification purposes once a makeup is finished. When available, torque vs. turn plots shall finish with a clearly defined spike as shown in the graphic to the right. The general character of torque vs. turn plots for good makeups will become evident after the first ten (10) makeups (again, more may be necessary due to rig- and/or equipment-specific conditions). Any makeup that results in a plot that is "out-of-character"<sup>2</sup> when compared with the majority of plots from previous good makeups should be checked carefully.



When using Torque vs. Turn monitoring equipment, GB recommends setting a reference torque value of 500 ft.-lbs. or 10% of the minimum makeup torque (whichever is lower) to normalize the resulting plots. Plot scales should be set so data spans at least 2/3 of the turns scale on each plot (10 turns will usually be sufficient at the start and can be reduced based on data from the first few joints). **UNDER NO CIRCUMSTANCE SHOULD MAKEUP BE STARTED UNTIL THE MONITORING SYSTEM IS READY TO RECORD DATA.**

7. Occasionally the mill side of a GB Connection may turn during field makeup. When observed, the makeup should continue without stopping per this procedure. It may be helpful to scribe a vertical line across the coupling-pipe interface to aid estimation of mill side turning if it is observed with some frequency. The amount of mill side turn should be carefully observed and estimated. If the mill side turns less than 1/2 turn and all other aspects of the makeup are good, the connection is acceptable. If the mill side turns more than 1/2 turn troubleshooting should be initiated paying particular attention to amount and distribution of thread compound, vertical alignment, weight of joint, hooked end on pipe, and other possible factors that may contribute to possible high torque during field makeup. It should be noted that mill side turning during field makeup occurs occasionally and should not be concerning. Frequent or persistent mill side turning is a symptom that needs troubleshooting and appropriate corrective action.
8. A double wrap of the pick-up sling should be used when raising casing into the derrick when single joint, side-door, or slip elevators are not being used.
9. Higher torque may be required to achieve shoulder engagement when threadlock compounds are applied. User is advised to carefully follow the manufacturer's instructions with respect to mixing, application, temperature, and time. Torque ranges with threadlock compounds cannot be estimated due to many variables including but not limited to temperature, time, connection tolerances, and surface finish. In these cases, carefully monitor makeup to be sure shouldering occurs. The only exception to the shouldering requirement is with float equipment (float shoe and float collar) that will be assembled with a threadlocking compound. In this case, makeup to a position that covers the base of API Triangle Stamp is considered satisfactory.
10. Manual and automated dump valves can miss the established **Running Torque** due to a number of factors. Slightly overshooting the **Running Torque** is not cause for concern as long as the final "dump" torque is not excessive and the equipment used is generally consistent joint-to-joint.

<sup>2</sup> An "out-of-character" plot may initiate with a high torque, show significantly steeper slope from the start of makeup, wide torque undulations as makeup progresses, no clearly defined spike, insufficient/inconsistent turns, etc.

	<b>Running Procedure for Casing with GB Drilling with Casing Connections</b>	October 29, 2007
		Rev. 12 (11/25/2013)

11. Attached is a "Worksheet for determining GB Connection **Running Torque** at the beginning of a Casing Run" for use at the start of any casing run using GB Connections. GB recommends that this worksheet be filled out and maintained with the casing run records.

### PROCEDURE SUMMARY

1. Remove coupling protectors after casing is set in V-Door and apply fresh thread compound to coupling threads.
2. Raise joint in derrick, remove pin protectors, and apply fresh thread compound to pin threads and pin nose.
3. Carefully stab pin into coupling and makeup to pin nose engagement. Try to stop makeup without exceeding the Maximum Makeup Torque (shown on GB Connection Performance Property Sheets). Carefully watch for and note the Shoulder Torque.
4. Record Shoulder Torque and Final Torque values, and position relative to API Triangle Stamp for first ten (10) connections, more if necessary due to run/rig-specific conditions.
5. The **Running Torque** is (a) the Minimum Makeup Torque shown on the GB Connection Performance Property Sheet or (b) the Maximum Torque required for shoulder engagement + 10% delta torque determined from the first 10 makeups, **whichever is higher**. Use the attached Worksheet to record this data and determine the **Running Torque**.
6. Make up the rest of the string at the **Running Torque** determined in the previous step.

### NOTES:

- This summary is provided for quick reference and is not a substitute for the comprehensive procedure provided above.
- Does not apply to threadlock connections.

### DO's and DONT's

1. **DO** check vertical alignment.
2. **DO** apply thread compound to all pin and coupling threads, pin nose and coupling shoulder area.
3. **DO** establish the **Running Torque** in accordance with GB Procedures.
4. **DO** make adjustments to **Running Torque** if indicated by inconsistent makeups during the casing run.
5. **DO** check every makeup for a clear indication of shouldering with a minimum delta torque  $\geq 10\%$  of the shoulder torque.
6. **DO** reject any coupling that is not properly made up after two (2) attempts.
7. **DO** carefully stab pins into coupling (use a stabbing guide for casing smaller than 9 5/8" OD).
8. **DO** finish the makeup with at least two (2) full turns in low gear at 6 RPMs or less.
9. **DO** make up every connection continuously to pin nose engagement without stopping.
10. **DO NOT** over dope.
11. **DO NOT** exceed the Maximum Makeup Torque as shown on the GB Connection Performance Property Sheets during assembly.



Running Procedure for Casing with  
*GB Drilling with Casing Connections*

October 29, 2007

Rev. 12 (11/25/2013)

12. **DO NOT** make up any misaligned connection.
13. **DO NOT** exceed 20 RPMs in high gear and 6 RPMs in low gear.
14. **DO NOT** remove pin thread protectors until pipe is hanging in the derrick.
15. **DO NOT** ever back a connection up a couple of turns and remake. Any connection requiring this type of attention **SHALL** be broken out completely, cleaned, visually inspected, and if OK, redoped and remade.
16. **DO NOT** hesitate to contact GB Tubulars with questions before and during any casing run.

**RECOMMENDED EQUIPMENT**

- Stabbing Guide
- Mustache Brush
- Torque vs. Turn Monitoring Equipment or Dump Valve

## Worksheet for determining GB Connection Running Torque at the beginning of a Casing Run

Ignore joints that are assembled with threadlock compounds. See "Addendum Procedure for GB Connections Assembled with Threadlocking Compounds" available at [www.gbtubulars.com](http://www.gbtubulars.com).

### Pertinent Excerpt from GB Running Procedure

5. Stab the pin carefully into the coupling of the joint hanging in the rotary table. A stabbing guide is recommended to protect the pin nose and leading thread from physical damage that may contribute to thread galling. Make up each connection until shoulder engagement plus delta torque  $\geq 10\%$  of the shoulder torque without exceeding the Maximum Makeup Torque. Record the shoulder torque observed for the first 10 joints (excluding threadlocked accessory joints). The Running Torque is (a) the Minimum Makeup Torque shown on the GB Connection Performance Property Sheets or (b) the Maximum Shoulder Torque recorded from the first 10 makeups + 10%, whichever is higher (rounded to the next highest 500 ft.-lbs.) When making up the initial joints for establishing the Running Torque carefully watch the torque gauge for the shoulder torque and try to manually shut down the tongs before reaching Maximum Makeup Torque shown on the GB Connection Performance Property Sheets. Alternately, the dump valve should be set to the Maximum Makeup Torque during this initial process.
6. After the first 10 makeups (more if necessary due to conditions at the time of the run), use the "Running Torque" established in Step 5 for the remainder of the string. A dump valve is strongly recommended to stop makeup once the established Running Torque is achieved.

Casing Data	Comment
OD (in)	See GB Connection Data Sheet
Weight (ppf)	See GB Connection Data Sheet
Grade	See GB Connection Data Sheet
Min MU Torque (ft-lbs)	See GB Connection Data Sheet
Max MU Torque (ft-lbs)	(2 X Min MU Tq)
Max Operating Torque (ft-lbs)	The Maximum Operating Torque is <b>NOT</b> the Maximum Makeup Torque and is <b>NOT</b> a sustainable rotating torque. Operating at the Maximum Operating Torque for any length of time will likely damage the connection.

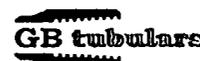
Notes	Joint No.	Shoulder Torque (ft-lbs)	Final Torque (ft-lbs)	Triangle Stamp Position Sketch ( $\triangle$ )
Required	1			
Required	2			
Required	3			
Required	4			
Required	5			
Required	6			
Required	7			
Required	8			
Required	9			
Required	10			
Optional	11			
Optional	12			
Optional	13			
Optional	14			
Optional	15			
Max. Shoulder Torque				
A Max. Shoulder Torque + 10%				
B Min. Makeup Torque (from GB Conn. Data Sheet)				
<b>Running Torque (ft-lbs)</b>			<b>A or B, whichever is greater.</b>	

Optional joints should be added if there is wide variability in shoulder torques recorded during the initial 10 joints. Judgement should be used to determine if more than 10 joints are needed for the purpose of establishing the Running Torque and, if so, how many more should be added.

Wide variations in Shoulder Torque during the first ten (10) joints suggest other issues requiring attention such as poor alignment, improper amount and distribution of thread compound, etc. Refer to 2nd paragraph of GB Running Procedure for possible contributing factors to aid troubleshooting.

GB Tubulars  
 950 Threadneedle, Suite 130  
 Houston TX 77079  
 Toll Free: 1-888-245-3848  
 Main: 713-465-3585  
 Fax: 713-984-1529

For Technical Information, contact:  
 Gene Mannella  
[genem@gbtubulars.com](mailto:genem@gbtubulars.com)  
 Qing Lu  
[qingl@gbtubulars.com](mailto:qingl@gbtubulars.com)



Kaiser-Francis Oil Company  
BLUS 208H

Interval	Length	Casing Size	Weight (#/ft)	Grade	Thread	Condition	Hole Size	TVD (ft)	Mud Type	Mud Weight Hole Control	Viscosity	Fluid Loss	Anticipated Mud Weight (ppg)	Max Pore Pressure (psi)	Collapse (psi)	Burst (psi)	Body Tensile Strength	Joint Tensile Strength	Collapse Safety Factor (Min 1.1)	Burst Safety Factor (Min 1.0)	Body Tensile Safety Factor (Min 1.8)	Joint Tensile Safety Factor (Min 1.8)
Conductor	120'	20"				New		120														
Surface	1350'	13-5/8"	54.5	J-55	STC	New	17-1/2"	1350	FW	8.4 - 9.0	32 - 34	NC	9	632	1130	2730	853000	514000	1.8	4.3	11.6	7.0
Intermediate	5200'	9-5/8"	40	HCP-110	LTC	New	12-1/4"	5200	Brine	8.8 - 8.9	28	NC	8.9	2407	4230	7900	1260000	1266000	1.8	3.3	6.1	6.1
Production	18690'	5-1/2"	20	P110	GBCD	New	8-1/2"	10862	Cut Brine	8.8 - 8.9	28-29	NC	8.9	5027	11100	12640	641000	548000	2.2	2.5	3.0	2.5

Kaiser-Francis Oil Company  
BLUS 208H

Interval	Length	Casing Size	Weight (#/ft)	Grade	Thread	Condition	Hole Size	TVD (ft)	Mud Type	Mud Weight Hole Control	Viscosity	Fluid Loss	Anticipated Mud Weight (ppg)	Max Pore Pressure (psi)	Collapse (psi)	Burst (psi)	Body Tensile Strength	Joint Tensile Strength	Collapse Safety Factor (Min 1.1)	Burst Safety Factor (Min 1.0)	Body Tensile Safety Factor (Min 1.8)	Joint Tensile Safety Factor (Min 1.8)
Conductor	120'	20"				New		120														
Surface	1350'	13-5/8"	51.5	J-55	STC	New	17-1/2"	1350	FW	8.4 - 9.0	32 - 34	NC	9	632	1130	2730	853000	514000	1.8	4.3	11.6	7.0
Intermediate	5200'	9-5/8"	40	HCP-110	LTC	New	12-1/4"	5200	Brine	8.8 - 8.9	28	NC	8.9	2407	4230	7900	1260000	1266000	1.8	3.3	6.1	6.1
Production	18690'	5-1/2"	20	P110	GBCD	New	8-1/2"	10862	Cut Brine	8.8 - 8.9	28-29	NC	8.9	5027	11100	12640	641000	548000	2.2	2.5	3.0	2.5

**KAISER-FRANCIS OIL COMPANY  
HYDROGEN SULFIDE (H<sub>2</sub>S) CONTINGENCY PLAN  
FOR DRILLING/COMPLETION WORKOVER/FACILITY**

**BELL LAKE UNIT SOUTH #208H  
SECTION 1 -T24S-R33E  
LEA COUNTY, NM**

This well/facility is not expected to have H<sub>2</sub>S, but due to the sensitive location, the following is submitted as requested.

## TABLE OF CONTENTS

Emergency Response Activation and General Responsibilities	3
Individual Responsibilities During An H <sub>2</sub> S Release	4
Procedure For Igniting An Uncontrollable Condition	5
Emergency Phone Numbers	6
Protection Of The General Public/Roe	7
Characteristics Of H <sub>2</sub> S And SO <sub>2</sub>	8
Training	8
Public Relations	8
Maps	

## **EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES**

### **Activation of the Emergency Action Plan**

In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections below for further responsibilities:

1. Notify the senior ranking contract representative on site.
2. Notify Kaiser-Francis representative in charge.
3. Notify civil authorities if the Kaiser-Francis Representative cannot be contacted and the situation dictates.
4. Perform rescue and first aid as required (without jeopardizing additional personnel).

### **General Responsibilities**

In the event of an H<sub>2</sub>S emergency, the following plan will be initiated.

- 1) All personnel will immediately evacuate to an up-wind and if possible up-hill "safe area".
- 2) If for any reason a person must enter the hazardous area, they must wear a SCBA (Self contained breathing apparatus).
- 3) Always use the "buddy system".
- 4) Isolate the well/problem if possible.
- 5) Account for all personnel
- 6) Display the proper colors, warning all unsuspecting personnel of the danger at hand
- 7) Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed)

At this point the company representative will evaluate the situation and coordinate the necessary duties to bring the situation under control, and if necessary, the notification of emergency response agencies and residents.

## INDIVIDUAL RESPONSIBILITIES DURING AN H<sub>2</sub>S RELEASE

The following procedures and responsibilities will be implemented on activation of the H<sub>2</sub>S siren and lights.

### All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

### Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and/or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contract management and Kaiser-Francis Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

### Two People Responsible for Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).
3. Return to the briefing area and stand by for further instructions.

### All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

### Kaiser-Francis Oil Company Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify company management or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

**PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:**

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

The decision to ignite a well should be a last resort and one if not both of the following pertain.

- 1) Human life and/or property are in danger.
- 2) There is no hope of bringing the situation under control with the prevailing conditions at the site.

**INSTRUCTIONS FOR IGNITION:**

- 1) Two people are required. They must be equipped with positive pressure; self contained breathing apparatus and a "D"-ring style, full body, OSHA approved safety harness. Non-flammable rope will be attached.
- 2) One of the people will be a qualified safety person who will test the atmosphere for H<sub>2</sub>S, Oxygen, & LFL. The other person will be the company supervisor; he is responsible for igniting the well.
- 3) Ignite up-wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25mm flare gun shall be used, with a +/-500' range to ignite the gas.
- 4) Prior to ignition, make a final check for combustible gases.
- 5) Following ignition, continue with the emergency actions & procedures as before.

**CONTACTING AUTHORITIES**

Kaiser-Francis personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

**EMERGENCY CALL LIST:** (Start and continue until ONE of these people have been reached)

	<u>OFFICE</u>	<u>MOBILE</u>
Kaiser-Francis Oil Co.	918/494-0000	
Bill Wilkinson	580/668-2335	580/221-4637
David Zerger	918/491-4350	918/557-6708
Charles Lock	918/491-4337	918/671-6510
Stuart Blake	918/491-4347	918/510-4126
Robert Sanford	918/491-4201	918/770-2682
Matt Warner	918/491-4379	720/556-2313

**EMERGENCY RESPONSE NUMBERS:**    Lea County, New Mexico

State Police – Artesia	575/748-9718
State Police – Hobbs	575/392-5580
State Police – Carlsbad	575/885-3138
Lea County Sheriff - Lovington	575/396-3611
Local Emergency Planning Center – Lea County	575/396-8607
Local Emergency Planning Center – Eddy County	575/885-3581
Fire Fighting, Rescue & Ambulance – Carlsbad	911 or 575/885-3125
Fire Fighting, Rescue & Ambulance – Hobbs	911 or 575/397-9308
Fire Fighting – Jal Volunteer Fire Department	911 or 505/395-2221
New Mexico Oil & Gas Commission – Artesia	575/748-1283
New Mexico Oil & Gas Commission – Hobbs	575/393-6161
Air Medical Transport Services – Hobbs	800/550-1025
Med Flight Air Ambulance – Albuquerque	505/842-4433
Angel MedFlight	844/553-9033
DXP	432/580-3770
BJ Services	575/392-5556
Halliburton	575/392-6531 800/844-8451



### **CHARACTERISTICS OF H<sub>2</sub>S AND SO<sub>2</sub>**

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

### **TRAINING:**

All responders must have training in the detection of H<sub>2</sub>S 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<sub>2</sub>S 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.

Company: Kaiser-Francis  
 Site: Bell Lake Unit South 207, 208  
 Well: Bell Lake Unit South 208H  
 Project: Lea County, New Mexico (NAD 83)  
 Rig: Cactus 171



Kaiser-Francis Oil Company



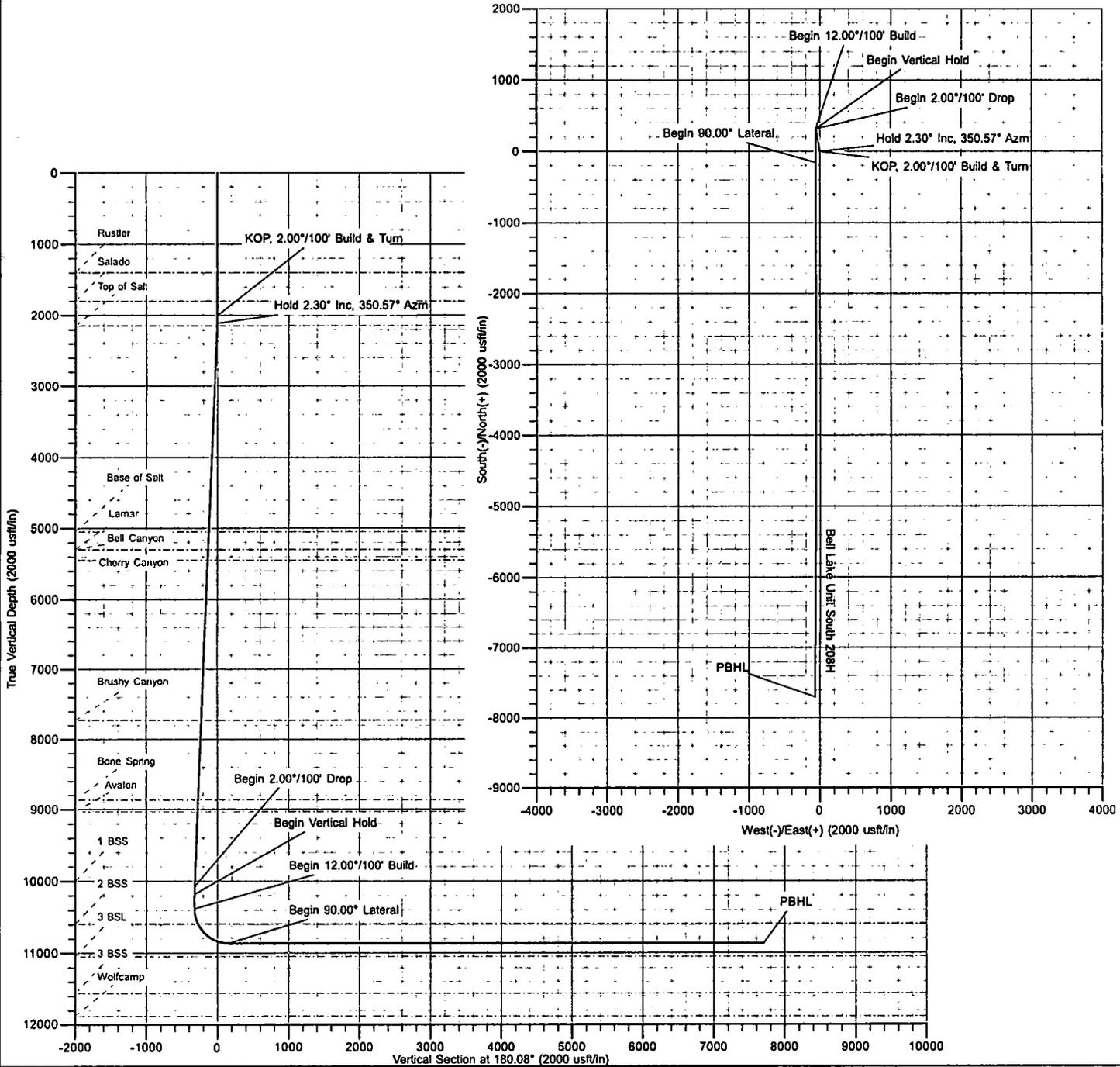
Azimuths to Grid North  
 True North: -0.44°  
 Magnetic North: 6.41°  
 Magnetic Field  
 Strength: 47847.7nT  
 Dip Angle: 60.03°  
 Date: 11/20/2018  
 Model: BGGM2018

ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Vsect	Departure	Annotation
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build & Turn
2115.13	2.30	350.57	2115.10	2.28	-0.38	-2.28	2.31	Hold 2.30° Inc, 350.57° Azm
10075.90	2.30	350.57	10069.44	317.80	-52.77	-317.73	322.15	Begin 2.00°/100' Drop
10191.03	0.00	0.00	10184.54	320.08	-53.15	-320.01	324.47	Begin Vertical Hold
10391.02	0.00	0.00	10384.54	320.08	-53.15	-320.01	324.47	Begin 12.00°/100' Build
11141.02	90.00	180.08	10862.00	-157.38	-53.80	157.45	801.93	Begin 90.00° Lateral
18690.97	90.00	180.08	10862.00	-7707.32	-64.13	7707.40	8351.88	PBHL

US State Plane 1983  
 New Mexico Eastern Zone

Created By: JA  
 Date: 15:42, October 19 2018  
 Plan: Design #1



The customer should only rely on this document after independently verifying all paths, targets, coordinates, lease and hard lines represented.

Any decisions made or wells drilled utilizing this or any other information supplied by MS Directional are at the sole risk and responsibility of the customer. MS Directional is not responsible for the accuracy of this schematic or the information contained herein.

Kaiser-Francis Oil Company

---

## **Kaiser-Francis**

Lea County, New Mexico (NAD 83)

Bell Lake Unit South 207, 208

Bell Lake Unit South 208H

Wellbore #1

Plan: Design #1

## **Standard Planning Report**

19 October, 2018

**MS** *Directional*

Database:	EDM 5000.14 Conroe Db	Local Co-ordinate Reference:	Well Bell Lake Unit South 208H
Company:	Kaiser-Francis	TVD Reference:	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
Project:	Lea County, New Mexico (NAD 83)	MD Reference:	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
Site:	Bell Lake Unit South 207, 208	North Reference:	Grid
Well:	Bell Lake Unit South 208H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

<b>Project</b>	Lea County, New Mexico (NAD 83)		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	New Mexico Eastern Zone		

<b>Site</b>	Bell Lake Unit South 207, 208				
<b>Site Position:</b>		<b>Northing:</b>	454,529.11 usft	<b>Latitude:</b>	32° 14' 48.892 N
<b>From:</b>	Map	<b>Easting:</b>	794,887.26 usft	<b>Longitude:</b>	103° 30' 47.542 W
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "		

<b>Well</b>	Bell Lake Unit South 208H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 usft	<b>Northing:</b>	454,529.24 usft	<b>Latitude:</b>	32° 14' 48.891 N
	<b>+E/-W</b>	0.00 usft	<b>Easting:</b>	794,907.29 usft	<b>Longitude:</b>	103° 30' 47.309 W
<b>Position Uncertainty</b>	0.00 usft		<b>Wellhead Elevation:</b>	usft	<b>Ground Level:</b>	3,613.70 usft
<b>Grid Convergence:</b>	0.438 °					

<b>Wellbore</b>	Wellbore #1					
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>	
	BGGM2018	11/20/2018	6.844	60.030	47,847.72	

<b>Design</b>	Design #1				
<b>Audit Notes:</b>					
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.00	
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>	
	0.00	0.00	0.00	180.08	

<b>Plan Survey Tool Program</b>	Date 10/19/2018				
<b>Depth From (usft)</b>	<b>Depth To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>	
1	0.00	18,690.97	Design #1 (Wellbore #1)	MWD	
				OWSG MWD - Standard	

<b>Plan Sections</b>										
<b>Measured Depth (usft)</b>	<b>Inclination (°)</b>	<b>Azimuth (°)</b>	<b>Vertical Depth (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Dogleg Rate (°/100usft)</b>	<b>Build Rate (°/100usft)</b>	<b>Turn Rate (°/100usft)</b>	<b>TFO (°)</b>	<b>Target</b>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.000	
2,115.13	2.30	350.57	2,115.10	2.28	-0.38	2.00	2.00	0.00	350.573	
10,075.90	2.30	350.57	10,069.44	317.80	-52.77	0.00	0.00	0.00	0.000	
10,191.03	0.00	0.00	10,184.54	320.08	-53.15	2.00	-2.00	0.00	180.000	VP BLUS 208
10,391.03	0.00	0.00	10,384.54	320.08	-53.15	0.00	0.00	0.00	0.000	
11,141.03	90.00	180.08	10,862.00	-157.38	-53.80	12.00	12.00	0.00	180.078	
18,690.97	90.00	180.08	10,862.00	-7,707.32	-64.13	0.00	0.00	0.00	0.000	PBHL BLUS 208

Database: EDM 5000.14 Conroe Db  
 Company: Kaiser-Francis  
 Project: Lea County, New Mexico (NAD 83)  
 Site: Bell Lake Unit South 207, 208  
 Well: Bell Lake Unit South 208H  
 Wellbore: Wellbore #1  
 Design: Design #1

Local Co-ordinate Reference: Well Bell Lake Unit South 208H  
 TVD Reference: 22 KB + 3613.7 @ 3635.70usft (Cactus 171)  
 MD Reference: 22 KB + 3613.7 @ 3635.70usft (Cactus 171)  
 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature

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)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Rustler</b>									
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Salado</b>									
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>KOP, 2.00°/100' Build &amp; Turn</b>									
2,100.00	2.00	350.57	2,099.98	1.72	-0.29	-1.72	2.00	2.00	0.00
2,115.13	2.30	350.57	2,115.10	2.28	-0.38	-2.28	2.00	2.00	0.00
<b>Hold 2.30° Inc, 350.57° Azm</b>									
2,150.06	2.30	350.57	2,150.00	3.67	-0.61	-3.67	0.00	0.00	0.00
<b>Top of Salt</b>									
2,200.00	2.30	350.57	2,199.90	5.65	-0.94	-5.64	0.00	0.00	0.00
2,300.00	2.30	350.57	2,299.82	9.61	-1.60	-9.61	0.00	0.00	0.00
2,400.00	2.30	350.57	2,399.74	13.57	-2.25	-13.57	0.00	0.00	0.00
2,500.00	2.30	350.57	2,499.66	17.54	-2.91	-17.53	0.00	0.00	0.00
2,600.00	2.30	350.57	2,599.58	21.50	-3.57	-21.49	0.00	0.00	0.00
2,700.00	2.30	350.57	2,699.50	25.46	-4.23	-25.46	0.00	0.00	0.00
2,800.00	2.30	350.57	2,799.42	29.43	-4.89	-29.42	0.00	0.00	0.00
2,900.00	2.30	350.57	2,899.34	33.39	-5.54	-33.38	0.00	0.00	0.00
3,000.00	2.30	350.57	2,999.25	37.35	-6.20	-37.34	0.00	0.00	0.00
3,100.00	2.30	350.57	3,099.17	41.32	-6.86	-41.31	0.00	0.00	0.00
3,200.00	2.30	350.57	3,199.09	45.28	-7.52	-45.27	0.00	0.00	0.00
3,300.00	2.30	350.57	3,299.01	49.24	-8.18	-49.23	0.00	0.00	0.00
3,400.00	2.30	350.57	3,398.93	53.21	-8.83	-53.19	0.00	0.00	0.00
3,500.00	2.30	350.57	3,498.85	57.17	-9.49	-57.16	0.00	0.00	0.00
3,600.00	2.30	350.57	3,598.77	61.13	-10.15	-61.12	0.00	0.00	0.00
3,700.00	2.30	350.57	3,698.69	65.10	-10.81	-65.08	0.00	0.00	0.00
3,800.00	2.30	350.57	3,798.61	69.06	-11.47	-69.04	0.00	0.00	0.00
3,900.00	2.30	350.57	3,898.53	73.02	-12.12	-73.01	0.00	0.00	0.00
4,000.00	2.30	350.57	3,998.45	76.99	-12.78	-76.97	0.00	0.00	0.00
4,100.00	2.30	350.57	4,098.37	80.95	-13.44	-80.93	0.00	0.00	0.00
4,200.00	2.30	350.57	4,198.29	84.91	-14.10	-84.89	0.00	0.00	0.00
4,300.00	2.30	350.57	4,298.20	88.88	-14.76	-88.86	0.00	0.00	0.00
4,400.00	2.30	350.57	4,398.12	92.84	-15.42	-92.82	0.00	0.00	0.00
4,500.00	2.30	350.57	4,498.04	96.80	-16.07	-96.78	0.00	0.00	0.00



<b>Database:</b>	EDM 5000.14 Conroe Db	<b>Local Co-ordinate Reference:</b>	Well Bell Lake Unit South 208H
<b>Company:</b>	Kaiser-Francis	<b>TVD Reference:</b>	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
<b>Project:</b>	Lea County, New Mexico (NAD 83)	<b>MD Reference:</b>	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
<b>Site:</b>	Bell Lake Unit South 207, 208	<b>North Reference:</b>	Grid
<b>Well:</b>	Bell Lake Unit South 208H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	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)
4,600.00	2.30	350.57	4,597.96	100.77	-16.73	-100.74	0.00	0.00	0.00
4,700.00	2.30	350.57	4,697.88	104.73	-17.39	-104.71	0.00	0.00	0.00
4,800.00	2.30	350.57	4,797.80	108.70	-18.05	-108.67	0.00	0.00	0.00
4,900.00	2.30	350.57	4,897.72	112.66	-18.71	-112.63	0.00	0.00	0.00
5,000.00	2.30	350.57	4,997.64	116.62	-19.36	-116.59	0.00	0.00	0.00
5,052.40	2.30	350.57	5,050.00	118.70	-19.71	-118.67	0.00	0.00	0.00
<b>Base of Salt</b>									
5,100.00	2.30	350.57	5,097.56	120.59	-20.02	-120.56	0.00	0.00	0.00
5,200.00	2.30	350.57	5,197.48	124.55	-20.68	-124.52	0.00	0.00	0.00
5,300.00	2.30	350.57	5,297.40	128.51	-21.34	-128.48	0.00	0.00	0.00
5,302.50	2.30	350.57	5,299.90	128.61	-21.35	-128.58	0.00	0.00	0.00
<b>Lamar</b>									
5,302.60	2.30	350.57	5,300.00	128.62	-21.36	-128.59	0.00	0.00	0.00
<b>Bell Canyon</b>									
5,400.00	2.30	350.57	5,397.32	132.48	-22.00	-132.45	0.00	0.00	0.00
5,452.73	2.30	350.57	5,450.00	134.57	-22.34	-134.53	0.00	0.00	0.00
<b>Cherry Canyon</b>									
5,500.00	2.30	350.57	5,497.24	136.44	-22.65	-136.41	0.00	0.00	0.00
5,600.00	2.30	350.57	5,597.16	140.40	-23.31	-140.37	0.00	0.00	0.00
5,700.00	2.30	350.57	5,697.07	144.37	-23.97	-144.33	0.00	0.00	0.00
5,800.00	2.30	350.57	5,796.99	148.33	-24.63	-148.30	0.00	0.00	0.00
5,900.00	2.30	350.57	5,896.91	152.29	-25.29	-152.26	0.00	0.00	0.00
6,000.00	2.30	350.57	5,996.83	156.26	-25.94	-156.22	0.00	0.00	0.00
6,100.00	2.30	350.57	6,096.75	160.22	-26.60	-160.18	0.00	0.00	0.00
6,200.00	2.30	350.57	6,196.67	164.18	-27.26	-164.15	0.00	0.00	0.00
6,300.00	2.30	350.57	6,296.59	168.15	-27.92	-168.11	0.00	0.00	0.00
6,400.00	2.30	350.57	6,396.51	172.11	-28.58	-172.07	0.00	0.00	0.00
6,500.00	2.30	350.57	6,496.43	176.07	-29.24	-176.03	0.00	0.00	0.00
6,600.00	2.30	350.57	6,596.35	180.04	-29.89	-180.00	0.00	0.00	0.00
6,700.00	2.30	350.57	6,696.27	184.00	-30.55	-183.96	0.00	0.00	0.00
6,800.00	2.30	350.57	6,796.19	187.96	-31.21	-187.92	0.00	0.00	0.00
6,900.00	2.30	350.57	6,896.11	191.93	-31.87	-191.88	0.00	0.00	0.00
7,000.00	2.30	350.57	6,996.03	195.89	-32.53	-195.85	0.00	0.00	0.00
7,100.00	2.30	350.57	7,095.94	199.85	-33.18	-199.81	0.00	0.00	0.00
7,200.00	2.30	350.57	7,195.86	203.82	-33.84	-203.77	0.00	0.00	0.00
7,300.00	2.30	350.57	7,295.78	207.78	-34.50	-207.73	0.00	0.00	0.00
7,400.00	2.30	350.57	7,395.70	211.74	-35.16	-211.70	0.00	0.00	0.00
7,500.00	2.30	350.57	7,495.62	215.71	-35.82	-215.66	0.00	0.00	0.00
7,600.00	2.30	350.57	7,595.54	219.67	-36.47	-219.62	0.00	0.00	0.00
7,700.00	2.30	350.57	7,695.46	223.64	-37.13	-223.58	0.00	0.00	0.00
7,734.57	2.30	350.57	7,730.00	225.01	-37.36	-224.95	0.00	0.00	0.00
<b>Brushy Canyon</b>									
7,800.00	2.30	350.57	7,795.38	227.60	-37.79	-227.55	0.00	0.00	0.00
7,900.00	2.30	350.57	7,895.30	231.56	-38.45	-231.51	0.00	0.00	0.00
8,000.00	2.30	350.57	7,995.22	235.53	-39.11	-235.47	0.00	0.00	0.00
8,100.00	2.30	350.57	8,095.14	239.49	-39.76	-239.43	0.00	0.00	0.00
8,200.00	2.30	350.57	8,195.06	243.45	-40.42	-243.40	0.00	0.00	0.00
8,300.00	2.30	350.57	8,294.98	247.42	-41.08	-247.36	0.00	0.00	0.00
8,400.00	2.30	350.57	8,394.89	251.38	-41.74	-251.32	0.00	0.00	0.00
8,500.00	2.30	350.57	8,494.81	255.34	-42.40	-255.28	0.00	0.00	0.00
8,600.00	2.30	350.57	8,594.73	259.31	-43.06	-259.25	0.00	0.00	0.00
8,700.00	2.30	350.57	8,694.65	263.27	-43.71	-263.21	0.00	0.00	0.00
8,800.00	2.30	350.57	8,794.57	267.23	-44.37	-267.17	0.00	0.00	0.00

<b>Database:</b>	EDM 5000.14 Conroe Db	<b>Local Co-ordinate Reference:</b>	Well Bell Lake Unit South 208H
<b>Company:</b>	Kaiser-Francis	<b>TVD Reference:</b>	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
<b>Project:</b>	Lea County, New Mexico (NAD 83)	<b>MD Reference:</b>	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
<b>Site:</b>	Bell Lake Unit South 207, 208	<b>North Reference:</b>	Grid
<b>Well:</b>	Bell Lake Unit South 208H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	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)
8,875.49	2.30	350.57	8,870.00	270.22	-44.87	-270.16	0.00	0.00	0.00
<b>Bone Spring</b>									
8,900.00	2.30	350.57	8,894.49	271.20	-45.03	-271.13	0.00	0.00	0.00
9,000.00	2.30	350.57	8,994.41	275.16	-45.69	-275.10	0.00	0.00	0.00
9,035.62	2.30	350.57	9,030.00	276.57	-45.92	-276.51	0.00	0.00	0.00
<b>Avalon</b>									
9,100.00	2.30	350.57	9,094.33	279.12	-46.35	-279.06	0.00	0.00	0.00
9,200.00	2.30	350.57	9,194.25	283.09	-47.00	-283.02	0.00	0.00	0.00
9,300.00	2.30	350.57	9,294.17	287.05	-47.66	-286.98	0.00	0.00	0.00
9,400.00	2.30	350.57	9,394.09	291.01	-48.32	-290.95	0.00	0.00	0.00
9,500.00	2.30	350.57	9,494.01	294.98	-48.98	-294.91	0.00	0.00	0.00
9,600.00	2.30	350.57	9,593.93	298.94	-49.64	-298.87	0.00	0.00	0.00
9,700.00	2.30	350.57	9,693.85	302.90	-50.29	-302.83	0.00	0.00	0.00
9,800.00	2.30	350.57	9,793.76	306.87	-50.95	-306.80	0.00	0.00	0.00
9,900.00	2.30	350.57	9,893.68	310.83	-51.61	-310.76	0.00	0.00	0.00
10,000.00	2.30	350.57	9,993.60	314.79	-52.27	-314.72	0.00	0.00	0.00
10,006.40	2.30	350.57	10,000.00	315.05	-52.31	-314.97	0.00	0.00	0.00
<b>1 BSS</b>									
10,075.90	2.30	350.57	10,069.44	317.80	-52.77	-317.73	0.00	0.00	0.00
<b>Begin 2.00°/100' Drop</b>									
10,100.00	1.82	350.57	10,093.53	318.66	-52.91	-318.58	2.00	-2.00	0.00
10,191.03	0.00	0.00	10,184.54	320.08	-53.15	-320.01	2.00	-2.00	0.00
<b>Begin Vertical Hold - VP BLUS 208</b>									
10,200.00	0.00	0.00	10,193.51	320.08	-53.15	-320.01	0.00	0.00	0.00
10,300.00	0.00	0.00	10,293.51	320.08	-53.15	-320.01	0.00	0.00	0.00
10,391.03	0.00	0.00	10,384.54	320.08	-53.15	-320.01	0.00	0.00	0.00
<b>Begin 12.00°/100' Build</b>									
10,400.00	1.08	180.08	10,393.51	320.00	-53.15	-319.93	12.00	12.00	0.00
10,425.00	4.08	180.08	10,418.48	318.88	-53.15	-318.80	12.00	12.00	0.00
10,450.00	7.08	180.08	10,443.36	316.45	-53.15	-316.37	12.00	12.00	0.00
10,475.00	10.08	180.08	10,468.08	312.72	-53.16	-312.64	12.00	12.00	0.00
10,500.00	13.08	180.08	10,492.57	307.70	-53.16	-307.63	12.00	12.00	0.00
10,525.00	16.08	180.08	10,516.76	301.41	-53.17	-301.34	12.00	12.00	0.00
10,550.00	19.08	180.08	10,540.59	293.86	-53.18	-293.79	12.00	12.00	0.00
10,575.00	22.08	180.08	10,563.99	285.08	-53.19	-285.00	12.00	12.00	0.00
10,600.00	25.08	180.08	10,586.90	275.08	-53.21	-275.00	12.00	12.00	0.00
10,603.43	25.49	180.08	10,590.00	273.61	-53.21	-273.54	12.00	12.00	0.00
<b>2 BSS</b>									
10,625.00	28.08	180.08	10,609.26	263.89	-53.22	-263.82	12.00	12.00	0.00
10,650.00	31.08	180.08	10,631.00	251.56	-53.24	-251.48	12.00	12.00	0.00
10,675.00	34.08	180.08	10,652.06	238.10	-53.26	-238.02	12.00	12.00	0.00
10,700.00	37.08	180.08	10,672.39	223.55	-53.28	-223.48	12.00	12.00	0.00
10,725.00	40.08	180.08	10,691.94	207.97	-53.30	-207.89	12.00	12.00	0.00
10,750.00	43.08	180.08	10,710.63	191.38	-53.32	-191.30	12.00	12.00	0.00
10,775.00	46.08	180.08	10,728.44	173.83	-53.35	-173.76	12.00	12.00	0.00
10,800.00	49.08	180.08	10,745.30	155.38	-53.37	-155.31	12.00	12.00	0.00
10,825.00	52.08	180.08	10,761.18	136.07	-53.40	-136.00	12.00	12.00	0.00
10,850.00	55.08	180.08	10,776.02	115.96	-53.43	-115.88	12.00	12.00	0.00
10,875.00	58.08	180.08	10,789.79	95.09	-53.45	-95.02	12.00	12.00	0.00
10,900.00	61.08	180.08	10,802.45	73.54	-53.48	-73.46	12.00	12.00	0.00
10,925.00	64.08	180.08	10,813.96	51.35	-53.51	-51.27	12.00	12.00	0.00
10,950.00	67.08	180.08	10,824.29	28.59	-53.55	-28.51	12.00	12.00	0.00
10,975.00	70.08	180.08	10,833.42	5.32	-53.58	-5.24	12.00	12.00	0.00

Database:	EDM 5000.14 Conroe Db	Local Co-ordinate Reference:	Well Bell Lake Unit South 208H
Company:	Kaiser-Francis	TVD Reference:	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
Project:	Lea County, New Mexico (NAD 83)	MD Reference:	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
Site:	Bell Lake Unit South 207, 208	North Reference:	Grid
Well:	Bell Lake Unit South 208H	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)
11,000.00	73.08	180.08	10,841.32	-18.40	-53.61	18.47	12.00	12.00	0.00
11,025.00	76.08	180.08	10,847.97	-42.49	-53.64	42.57	12.00	12.00	0.00
11,050.00	79.08	180.08	10,853.35	-66.91	-53.68	66.98	12.00	12.00	0.00
11,075.00	82.08	180.08	10,857.44	-91.57	-53.71	91.64	12.00	12.00	0.00
11,100.00	85.08	180.08	10,860.24	-116.41	-53.74	116.48	12.00	12.00	0.00
11,125.00	88.08	180.08	10,861.73	-141.36	-53.78	141.43	12.00	12.00	0.00
11,141.03	90.00	180.08	10,862.00	-157.38	-53.80	157.45	12.00	12.00	0.00
<b>Begin 90.00° Lateral - FTP BLUS 208</b>									
11,200.00	90.00	180.08	10,862.00	-216.36	-53.88	216.43	0.00	0.00	0.00
11,300.00	90.00	180.08	10,862.00	-316.35	-54.02	316.43	0.00	0.00	0.00
11,400.00	90.00	180.08	10,862.00	-416.35	-54.15	416.43	0.00	0.00	0.00
11,500.00	90.00	180.08	10,862.00	-516.35	-54.29	516.43	0.00	0.00	0.00
11,600.00	90.00	180.08	10,862.00	-616.35	-54.43	616.43	0.00	0.00	0.00
11,700.00	90.00	180.08	10,862.00	-716.35	-54.56	716.43	0.00	0.00	0.00
11,800.00	90.00	180.08	10,862.00	-816.35	-54.70	816.43	0.00	0.00	0.00
11,900.00	90.00	180.08	10,862.00	-916.35	-54.84	916.43	0.00	0.00	0.00
12,000.00	90.00	180.08	10,862.00	-1,016.35	-54.98	1,016.43	0.00	0.00	0.00
12,100.00	90.00	180.08	10,862.00	-1,116.35	-55.11	1,116.43	0.00	0.00	0.00
12,200.00	90.00	180.08	10,862.00	-1,216.35	-55.25	1,216.43	0.00	0.00	0.00
12,300.00	90.00	180.08	10,862.00	-1,316.35	-55.39	1,316.43	0.00	0.00	0.00
12,400.00	90.00	180.08	10,862.00	-1,416.35	-55.52	1,416.43	0.00	0.00	0.00
12,500.00	90.00	180.08	10,862.00	-1,516.35	-55.66	1,516.43	0.00	0.00	0.00
12,600.00	90.00	180.08	10,862.00	-1,616.35	-55.80	1,616.43	0.00	0.00	0.00
12,700.00	90.00	180.08	10,862.00	-1,716.35	-55.93	1,716.43	0.00	0.00	0.00
12,800.00	90.00	180.08	10,862.00	-1,816.35	-56.07	1,816.43	0.00	0.00	0.00
12,900.00	90.00	180.08	10,862.00	-1,916.35	-56.21	1,916.43	0.00	0.00	0.00
13,000.00	90.00	180.08	10,862.00	-2,016.35	-56.34	2,016.43	0.00	0.00	0.00
13,100.00	90.00	180.08	10,862.00	-2,116.35	-56.48	2,116.43	0.00	0.00	0.00
13,200.00	90.00	180.08	10,862.00	-2,216.35	-56.62	2,216.43	0.00	0.00	0.00
13,300.00	90.00	180.08	10,862.00	-2,316.35	-56.75	2,316.43	0.00	0.00	0.00
13,400.00	90.00	180.08	10,862.00	-2,416.35	-56.89	2,416.43	0.00	0.00	0.00
13,500.00	90.00	180.08	10,862.00	-2,516.35	-57.03	2,516.43	0.00	0.00	0.00
13,600.00	90.00	180.08	10,862.00	-2,616.35	-57.16	2,616.43	0.00	0.00	0.00
13,700.00	90.00	180.08	10,862.00	-2,716.35	-57.30	2,716.43	0.00	0.00	0.00
13,800.00	90.00	180.08	10,862.00	-2,816.35	-57.44	2,816.43	0.00	0.00	0.00
13,900.00	90.00	180.08	10,862.00	-2,916.35	-57.57	2,916.43	0.00	0.00	0.00
14,000.00	90.00	180.08	10,862.00	-3,016.35	-57.71	3,016.43	0.00	0.00	0.00
14,100.00	90.00	180.08	10,862.00	-3,116.35	-57.85	3,116.43	0.00	0.00	0.00
14,200.00	90.00	180.08	10,862.00	-3,216.35	-57.99	3,216.43	0.00	0.00	0.00
14,300.00	90.00	180.08	10,862.00	-3,316.35	-58.12	3,316.43	0.00	0.00	0.00
14,400.00	90.00	180.08	10,862.00	-3,416.35	-58.26	3,416.43	0.00	0.00	0.00
14,500.00	90.00	180.08	10,862.00	-3,516.35	-58.40	3,516.43	0.00	0.00	0.00
14,600.00	90.00	180.08	10,862.00	-3,616.35	-58.53	3,616.43	0.00	0.00	0.00
14,700.00	90.00	180.08	10,862.00	-3,716.35	-58.67	3,716.43	0.00	0.00	0.00
14,800.00	90.00	180.08	10,862.00	-3,816.35	-58.81	3,816.43	0.00	0.00	0.00
14,900.00	90.00	180.08	10,862.00	-3,916.35	-58.94	3,916.43	0.00	0.00	0.00
15,000.00	90.00	180.08	10,862.00	-4,016.35	-59.08	4,016.43	0.00	0.00	0.00
15,100.00	90.00	180.08	10,862.00	-4,116.35	-59.22	4,116.43	0.00	0.00	0.00
15,200.00	90.00	180.08	10,862.00	-4,216.35	-59.35	4,216.43	0.00	0.00	0.00
15,300.00	90.00	180.08	10,862.00	-4,316.35	-59.49	4,316.43	0.00	0.00	0.00
15,400.00	90.00	180.08	10,862.00	-4,416.35	-59.63	4,416.43	0.00	0.00	0.00
15,500.00	90.00	180.08	10,862.00	-4,516.35	-59.76	4,516.43	0.00	0.00	0.00
15,600.00	90.00	180.08	10,862.00	-4,616.35	-59.90	4,616.43	0.00	0.00	0.00
15,700.00	90.00	180.08	10,862.00	-4,716.35	-60.04	4,716.43	0.00	0.00	0.00

Database: EDM 5000.14 Conroe Db  
 Company: Kaiser-Francis  
 Project: Lea County, New Mexico (NAD 83)  
 Site: Bell Lake Unit South 207, 208  
 Well: Bell Lake Unit South 208H  
 Wellbore: Wellbore #1  
 Design: Design #1

Local Co-ordinate Reference: Well Bell Lake Unit South 208H  
 TVD Reference: 22 KB + 3613.7 @ 3635.70usft (Cactus 171)  
 MD Reference: 22 KB + 3613.7 @ 3635.70usft (Cactus 171)  
 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature

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)
15,800.00	90.00	180.08	10,862.00	-4,816.35	-60.17	4,816.43	0.00	0.00	0.00
15,900.00	90.00	180.08	10,862.00	-4,916.35	-60.31	4,916.43	0.00	0.00	0.00
16,000.00	90.00	180.08	10,862.00	-5,016.35	-60.45	5,016.43	0.00	0.00	0.00
16,100.00	90.00	180.08	10,862.00	-5,116.35	-60.58	5,116.43	0.00	0.00	0.00
16,200.00	90.00	180.08	10,862.00	-5,216.35	-60.72	5,216.43	0.00	0.00	0.00
16,300.00	90.00	180.08	10,862.00	-5,316.35	-60.86	5,316.43	0.00	0.00	0.00
16,400.00	90.00	180.08	10,862.00	-5,416.35	-61.00	5,416.43	0.00	0.00	0.00
16,500.00	90.00	180.08	10,862.00	-5,516.35	-61.13	5,516.43	0.00	0.00	0.00
16,600.00	90.00	180.08	10,862.00	-5,616.35	-61.27	5,616.43	0.00	0.00	0.00
16,700.00	90.00	180.08	10,862.00	-5,716.35	-61.41	5,716.43	0.00	0.00	0.00
16,800.00	90.00	180.08	10,862.00	-5,816.35	-61.54	5,816.43	0.00	0.00	0.00
16,900.00	90.00	180.08	10,862.00	-5,916.35	-61.68	5,916.43	0.00	0.00	0.00
17,000.00	90.00	180.08	10,862.00	-6,016.35	-61.82	6,016.43	0.00	0.00	0.00
17,100.00	90.00	180.08	10,862.00	-6,116.35	-61.95	6,116.43	0.00	0.00	0.00
17,200.00	90.00	180.08	10,862.00	-6,216.35	-62.09	6,216.43	0.00	0.00	0.00
17,300.00	90.00	180.08	10,862.00	-6,316.35	-62.23	6,316.43	0.00	0.00	0.00
17,400.00	90.00	180.08	10,862.00	-6,416.35	-62.36	6,416.43	0.00	0.00	0.00
17,500.00	90.00	180.08	10,862.00	-6,516.35	-62.50	6,516.43	0.00	0.00	0.00
17,600.00	90.00	180.08	10,862.00	-6,616.35	-62.64	6,616.43	0.00	0.00	0.00
17,700.00	90.00	180.08	10,862.00	-6,716.35	-62.77	6,716.43	0.00	0.00	0.00
17,800.00	90.00	180.08	10,862.00	-6,816.35	-62.91	6,816.43	0.00	0.00	0.00
17,900.00	90.00	180.08	10,862.00	-6,916.35	-63.05	6,916.43	0.00	0.00	0.00
18,000.00	90.00	180.08	10,862.00	-7,016.35	-63.18	7,016.43	0.00	0.00	0.00
18,100.00	90.00	180.08	10,862.00	-7,116.35	-63.32	7,116.43	0.00	0.00	0.00
18,200.00	90.00	180.08	10,862.00	-7,216.35	-63.46	7,216.43	0.00	0.00	0.00
18,300.00	90.00	180.08	10,862.00	-7,316.35	-63.60	7,316.43	0.00	0.00	0.00
18,400.00	90.00	180.08	10,862.00	-7,416.35	-63.73	7,416.43	0.00	0.00	0.00
18,500.00	90.00	180.08	10,862.00	-7,516.35	-63.87	7,516.43	0.00	0.00	0.00
18,600.00	90.00	180.08	10,862.00	-7,616.35	-64.01	7,616.43	0.00	0.00	0.00
18,690.97	90.00	180.08	10,862.00	-7,707.32	-64.13	7,707.40	0.00	0.00	0.00

PBHL - PBHL BLUS 208

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
VP BLUS 208 - plan hits target center - Point	0.00	0.00	10,184.54	320.08	-53.15	454,849.32	794,854.14	32° 14' 52.063 N	103° 30' 47.899 W
FTP BLUS 208 - plan hits target center - Point	0.00	0.00	10,862.00	-157.38	-53.80	454,371.86	794,853.49	32° 14' 47.338 N	103° 30' 47.949 W
PBHL BLUS 208 - plan hits target center - Point	0.00	0.00	10,862.00	-7,707.32	-64.13	446,821.92	794,843.16	32° 13' 32.632 N	103° 30' 48.740 W

<b>Database:</b>	EDM 5000.14 Conroe Db	<b>Local Co-ordinate Reference:</b>	Well Bell Lake Unit South 208H
<b>Company:</b>	Kaiser-Francis	<b>TVD Reference:</b>	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
<b>Project:</b>	Lea County, New Mexico (NAD 83)	<b>MD Reference:</b>	22 KB + 3613.7 @ 3635.70usft (Cactus 171)
<b>Site:</b>	Bell Lake Unit South 207, 208	<b>North Reference:</b>	Grid
<b>Well:</b>	Bell Lake Unit South 208H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

**Formations**

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,400.00	1,400.00	Rustler		0.000	180.08
1,800.00	1,800.00	Salado		0.000	180.08
2,150.06	2,150.00	Top of Salt		0.000	180.08
5,052.40	5,050.00	Base of Salt		0.000	180.08
5,302.50	5,299.90	Lamar		0.000	180.08
5,302.60	5,300.00	Bell Canyon		0.000	180.08
5,452.73	5,450.00	Cherry Canyon		0.000	180.08
7,734.57	7,730.00	Brushy Canyon		0.000	180.08
8,875.49	8,870.00	Bone Spring		0.000	180.08
9,035.62	9,030.00	Avalon		0.000	180.08
10,006.40	10,000.00	1 BSS		0.000	180.08
10,603.43	10,590.00	2 BSS		0.000	180.08

**Plan Annotations**

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
2,000.00	2,000.00	0.00	0.00	KOP, 2.00°/100' Build & Turn
2,115.13	2,115.10	2.28	-0.38	Hold 2.30° Inc, 350.57° Azm
10,075.90	10,069.44	317.80	-52.77	Begin 2.00°/100' Drop
10,191.03	10,184.54	320.08	-53.15	Begin Vertical Hold
10,391.03	10,384.54	320.08	-53.15	Begin 12.00°/100' Build
11,141.03	10,862.00	-157.38	-53.80	Begin 90.00° Lateral
18,690.97	10,862.00	-7,707.32	-64.13	PBHL

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

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

Submit Original  
to Appropriate  
District Office

**GAS CAPTURE PLAN**

Date: 07/02/2018

Original  Amended - Reason for Amendment: \_\_\_\_\_  
Operator & OGRID No.: Kaiser-Francis Oil Company, 12361

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Bell Lake Unit South 208H				2000	0	

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa and will be connected to Targa low/high pressure gathering system located in Lea County, New Mexico. It will require 11,000' of pipeline to connect the facility to low/high pressure gathering system. Kaiser-Francis Oil Company provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Kaiser-Francis Oil Company and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Targa Processing Plant located in Sec. 36, Twn. 19S, Rng. 36E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

**Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Targa system at that time. Based on current information, it is Kaiser-Francis Oil Company's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

**Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



APD ID: 10400036396

Submission Date: 11/15/2018

Highlighted data  
reflects the most  
recent changes

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

**Section 1 - Existing Roads**

Will existing roads be used? YES

Existing Road Map:

BLUS\_208H\_Existing\_Roads\_20181115125106.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? NO

**ROW ID(s)**

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

**Section 2 - New or Reconstructed Access Roads**

Will new roads be needed? YES

New Road Map:

BLUS\_208H\_Access\_Road\_20181115125147.pdf

New road type: RESOURCE

Length: 119

Feet

Width (ft.): 25

Max slope (%): 2

Max grade (%): 2

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 15

New road access erosion control: Road construction requirements and regular maintenance would alleviate potential impacts to the access road from water erosion damage.

New road access plan or profile prepared? NO

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**Access surfacing type:** OTHER

**Access topsoil source:** BOTH

**Access surfacing type description:** Native caliche

**Access onsite topsoil source depth:** 6

**Offsite topsoil source description:** Material will be obtained from BLM caliche pit in SWSW Section 22-T24S-R34E or NENE Section 20- T23S-R33E

**Onsite topsoil removal process:** The top 6 inches of topsoil is pushed off and stockpiled along the side of the location. An approximate 160' X 160' area is used within the proposed well site to remove caliche. Subsoil is removed and stockpiled within the pad site to build the location and road. Then subsoil is pushed back in the hole and caliche is spread accordingly across proposed access road.

**Access other construction information:**

**Access miscellaneous information:**

**Number of access turnouts:**

**Access turnout map:**

### Drainage Control

**New road drainage crossing:** OTHER

**Drainage Control comments:** Proposed access road will be crowned and ditched and constructed of 6 inch rolled and compacted caliche. Water will be diverted where necessary to avoid ponding, maintain good drainage, and to be consistent with local drainage patterns.

**Road Drainage Control Structures (DCS) description:** The ditches will be 3' wide with 3:1 slopes

**Road Drainage Control Structures (DCS) attachment:**

### Access Additional Attachments

**Additional Attachment(s):**

### Section 3 - Location of Existing Wells

**Existing Wells Map? YES**

**Attach Well map:**

BLUS\_208H\_1\_Mile\_Wells\_Map\_20181115130438.pdf

**Existing Wells description:**

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

**Submit or defer a Proposed Production Facilities plan? DEFER**

**Estimated Production Facilities description:** Production facilities are planned for the west side of pad. Plan for initial wells: 2-1000 bbl water tanks and 5-1000 bbl oil tanks, a temporary 6X20 horizontal 3-phase sep, a 48" X 10' 3-phase sep, a 8 X 20' heater treater and a 48"X 10' 2-phase sep

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

**Section 5 - Location and Types of Water Supply**

**Water Source Table**

Water source use type: INTERMEDIATE/PRODUCTION CASING

Water source type: OTHER

Describe type: BRINE WATER

Source latitude:

Source longitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Source land ownership: PRIVATE

Water source transport method: TRUCKING

Source transportation land ownership: OTHER

Describe transportation land ownership:

Water source volume (barrels): 20000

Source volume (acre-feet): 2.577862

Source volume (gal): 840000

Water source use type: OTHER, STIMULATION, SURFACE CASING Water source type: OTHER

Describe type: FRESH WATER

Source latitude:

Source longitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Source land ownership: PRIVATE

Water source transport method: TRUCKING

Source transportation land ownership: OTHER

Describe transportation land ownership:

Water source volume (barrels): 250000

Source volume (acre-feet): 32.223274

Source volume (gal): 10500000

Water source and transportation map:

BLUS\_208H\_Water\_Source\_Map\_20181115130549.pdf

Water source comments: Source transportation land ownership is a mixture of Federal, State and County.

New water well? NO

**New Water Well Info**

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**Aquifer comments:**

**Aquifer documentation:**

**Well depth (ft):**

**Well casing type:**

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

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

**New water well casing?**

**Used casing source:**

**Drilling method:**

**Drill material:**

**Grout material:**

**Grout depth:**

**Casing length (ft.):**

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

**Well Production type:**

**Completion Method:**

**Water well additional information:**

**State appropriation permit:**

**Additional information attachment:**

### Section 6 - Construction Materials

**Construction Materials description:** On site caliche will be used for construction if sufficient. In the event insufficient quantities of caliche are available onsite, caliche will be trucked in from BLM's caliche pit in SWSW Section 22-T24-R34E or NENE Section 20- T23S-R33E.

**Construction Materials source location attachment:**

### Section 7 - Methods for Handling Waste

**Waste type:** DRILLING

**Waste content description:** Drilling fluids and cuttings

**Amount of waste:** 3900 barrels

**Waste disposal frequency :** One Time Only

**Safe containment description:** All drilling fluids will be stored safely and disposed of properly

**Safe containmant attachment:**

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

**Disposal type description:**

**Disposal location description:** Cuttings will be hauled to R360's facility on US 62/180 at Halfway, NM

**Waste type:** SEWAGE

**Waste content description:** Human waste and grey water

**Amount of waste:** 1000 gallons

**Waste disposal frequency :** One Time Only

**Safe containment description:** Waste material will be stored safely and disposed of properly

**Safe containmant attachment:**

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

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

**Disposal type description:**

**Disposal location description:** Trucked to an approved disposal facility

**Waste type:** GARBAGE

**Waste content description:** Miscellaneous trash

**Amount of waste:** 500                      pounds

**Waste disposal frequency :** One Time Only

**Safe containment description:** Trash produced during drilling and completion operations will be collected in a trash container and disposed of properly

**Safe containmant attachment:**

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

**Disposal type description:**

**Disposal location description:** Trucked to an approved disposal facility

### Reserve Pit

**Reserve Pit being used?** NO

**Temporary disposal of produced water into reserve pit?**

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

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

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

**Reserve pit liner**

**Reserve pit liner specifications and installation description**

### Cuttings Area

**Cuttings Area being used?** NO

**Are you storing cuttings on location?** YES

**Description of cuttings location** Cuttings will be stored in roll off bins and hauled to R360 on US 62/180 near Halfway.

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

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

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

**WCuttings area liner**

**Cuttings area liner specifications and installation description**

Operator Name: KAISER FRANCIS OIL COMPANY

Well Name: BELL LAKE UNIT SOUTH

Well Number: 208H

### Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

### Section 9 - Well Site Layout

Well Site Layout Diagram:

BLUS\_208H\_Drilling\_Layout\_20181115130636.pdf

BLUS\_208H\_Well\_Pad\_Layout\_20181115130641.pdf

Comments:

### Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: SOUTH BELL LAKE UNIT

Multiple Well Pad Number: 6

Recontouring attachment:

**Drainage/Erosion control construction:** During construction proper erosion control methods will be used to control erosion, runoff and siltation of the surrounding area. As per request of rancher, a berm will be constructed along the east side of well pad.

**Drainage/Erosion control reclamation:** Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.

Well pad proposed disturbance (acres): 5.97	Well pad interim reclamation (acres): 0	Well pad long term disturbance (acres): 5.97
Road proposed disturbance (acres): 0.068297	Road interim reclamation (acres): 0	Road long term disturbance (acres): 0.068297
Powerline proposed disturbance (acres): 0	Powerline interim reclamation (acres): 0	Powerline long term disturbance (acres): 0
Pipeline proposed disturbance (acres): 0	Pipeline interim reclamation (acres): 0	Pipeline long term disturbance (acres): 0
Other proposed disturbance (acres): 0	Other interim reclamation (acres): 0	Other long term disturbance (acres): 0
Total proposed disturbance: 6.038297	Total interim reclamation: 0	Total long term disturbance: 6.038297

**Disturbance Comments:** Plan to reclaim 130' on the north side and 80' on the west side of well pad.

**Reconstruction method:** The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**Topsoil redistribution:** Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations

**Soil treatment:** To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

**Existing Vegetation at the well pad:** The historic climax plant community is a grassland dominated by black grama, dropseeds, and blue stems with sand sage and shinnery oak distributed evenly throughout. Current landscape displays mesquite, shinnery oak, yucca, desert sage, fourwing saltbush, snakeweed, and bunch grasses

**Existing Vegetation at the well pad attachment:**

**Existing Vegetation Community at the road:** Refer to "Existing Vegetation at the well pad"

**Existing Vegetation Community at the road attachment:**

**Existing Vegetation Community at the pipeline:**

**Existing Vegetation Community at the pipeline attachment:**

**Existing Vegetation Community at other disturbances:**

**Existing Vegetation Community at other disturbances attachment:**

**Non native seed used?** NO

**Non native seed description:**

**Seedling transplant description:**

**Will seedlings be transplanted for this project?** NO

**Seedling transplant description attachment:**

**Will seed be harvested for use in site reclamation?** NO

**Seed harvest description:**

**Seed harvest description attachment:**

## Seed Management

### Seed Table

**Seed type:**

**Seed source:**

**Seed name:**

**Source name:**

**Source address:**

**Source phone:**

**Seed cultivar:**

**Seed use location:**

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**PLS pounds per acre:**

**Proposed seeding season:**

Seed Summary	
Seed Type	Pounds/Acre

**Total pounds/Acre:**

**Seed reclamation attachment:**

**Operator Contact/Responsible Official Contact Info**

**First Name:**

**Last Name:**

**Phone:**

**Email:**

**Seedbed prep:**

**Seed BMP:**

**Seed method:**

**Existing invasive species? NO**

**Existing invasive species treatment description:**

**Existing invasive species treatment attachment:**

**Weed treatment plan description:** No invasive species present. Standard regular maintenance to maintain a clear location and road.

**Weed treatment plan attachment:**

**Monitoring plan description:** Identify areas supporting weeds prior to construction; prevent the introduction and spread of weeds from construction equipment during construction; and contain weed seeds and propagules by preventing segregated topsoil from being spread to adjacent areas. No invasive species present. Standard regular maintenance to maintain a clear location and road.

**Monitoring plan attachment:**

**Success standards:** To maintain all disturbed areas as per Gold Book standards

**Pit closure description:** N/A

**Pit closure attachment:**

**Section 11 - Surface Ownership**

**Disturbance type:** WELL PAD

**Describe:**

**Surface Owner:** STATE GOVERNMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:** COMMISSIONER OF PUBLIC LANDS, PO BOX 1148, SANTA FE, NM 87504

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Fee Owner:** Mark T. McCloy & Annette E McCloy

**Fee Owner Address:** PO Box 795 Tatum, NM 88267

**Phone:** (432)940-4459

**Email:**

**Surface use plan certification:** NO

**Surface use plan certification document:**

**Surface access agreement or bond:** Agreement

**Surface Access Agreement Need description:** Surface Use and Compensation Agreement dated October 4, 2016 between Mark T McCloy and Annette E McCloy Revocable Living Trust and Kaiser-Francis Oil Company

**Surface Access Bond BLM or Forest Service:**

**BLM Surface Access Bond number:**

**USFS Surface access bond number:**

**Disturbance type:** NEW ACCESS ROAD

**Describe:**

**Surface Owner:** STATE GOVERNMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:** COMMISSIONER OF PUBLIC LANDS, PO BOX 1148, SANTA FE, NM 87504-1148

**Military Local Office:**

**USFWS Local Office:**

**Operator Name:** KAISER FRANCIS OIL COMPANY

**Well Name:** BELL LAKE UNIT SOUTH

**Well Number:** 208H

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Section 12 - Other Information**

**Right of Way needed?** NO

**Use APD as ROW?**

**ROW Type(s):**

**ROW Applications**

**SUPO Additional Information:** SUP attached

**Use a previously conducted onsite?** NO

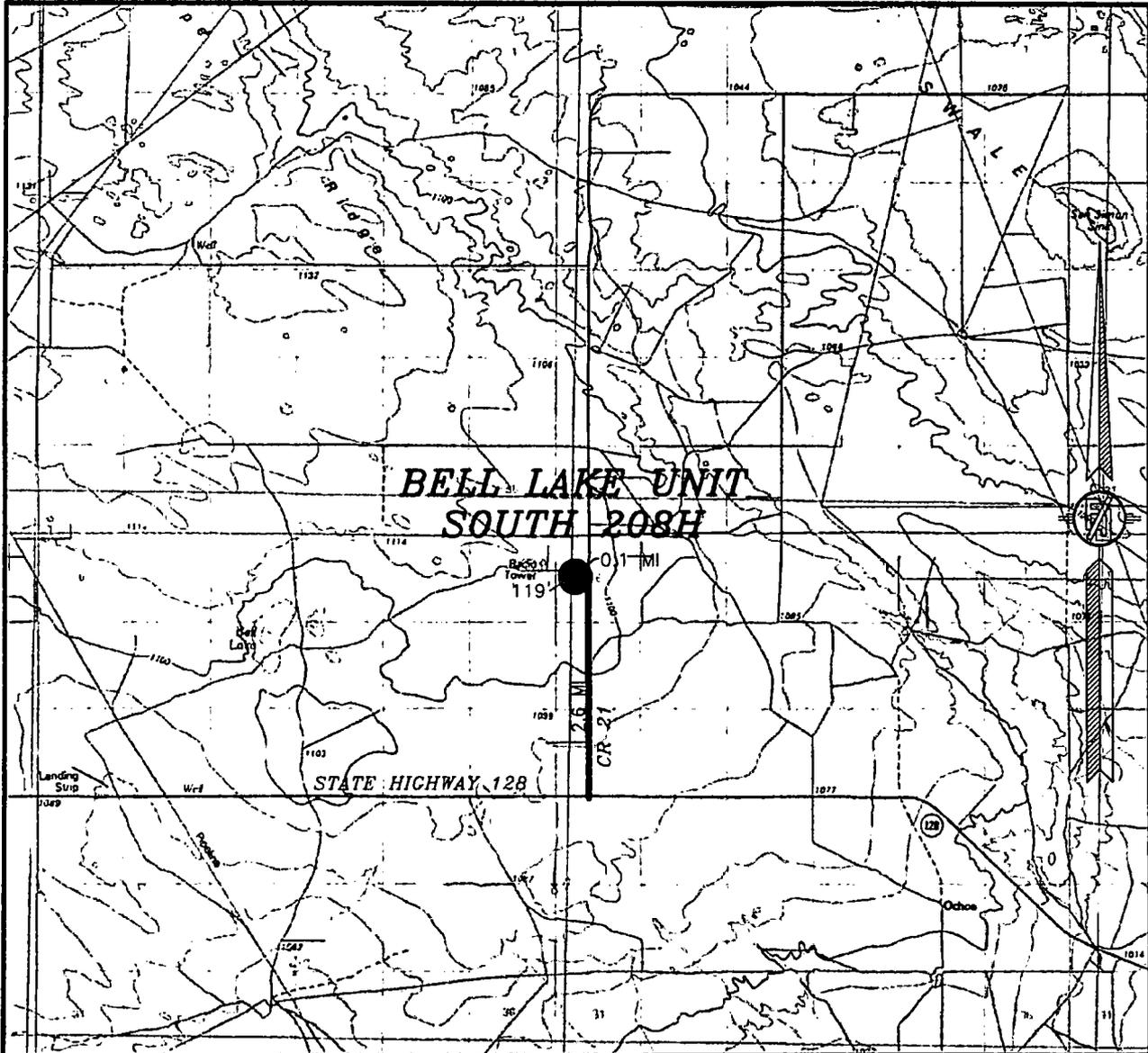
**Previous Onsite information:**

**Other SUPO Attachment**

BLUS\_208H\_SPCC\_Pad\_6\_20181115130745.pdf

BLUS\_208H\_SUP\_20181115131122.pdf

SECTION 6, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO  
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

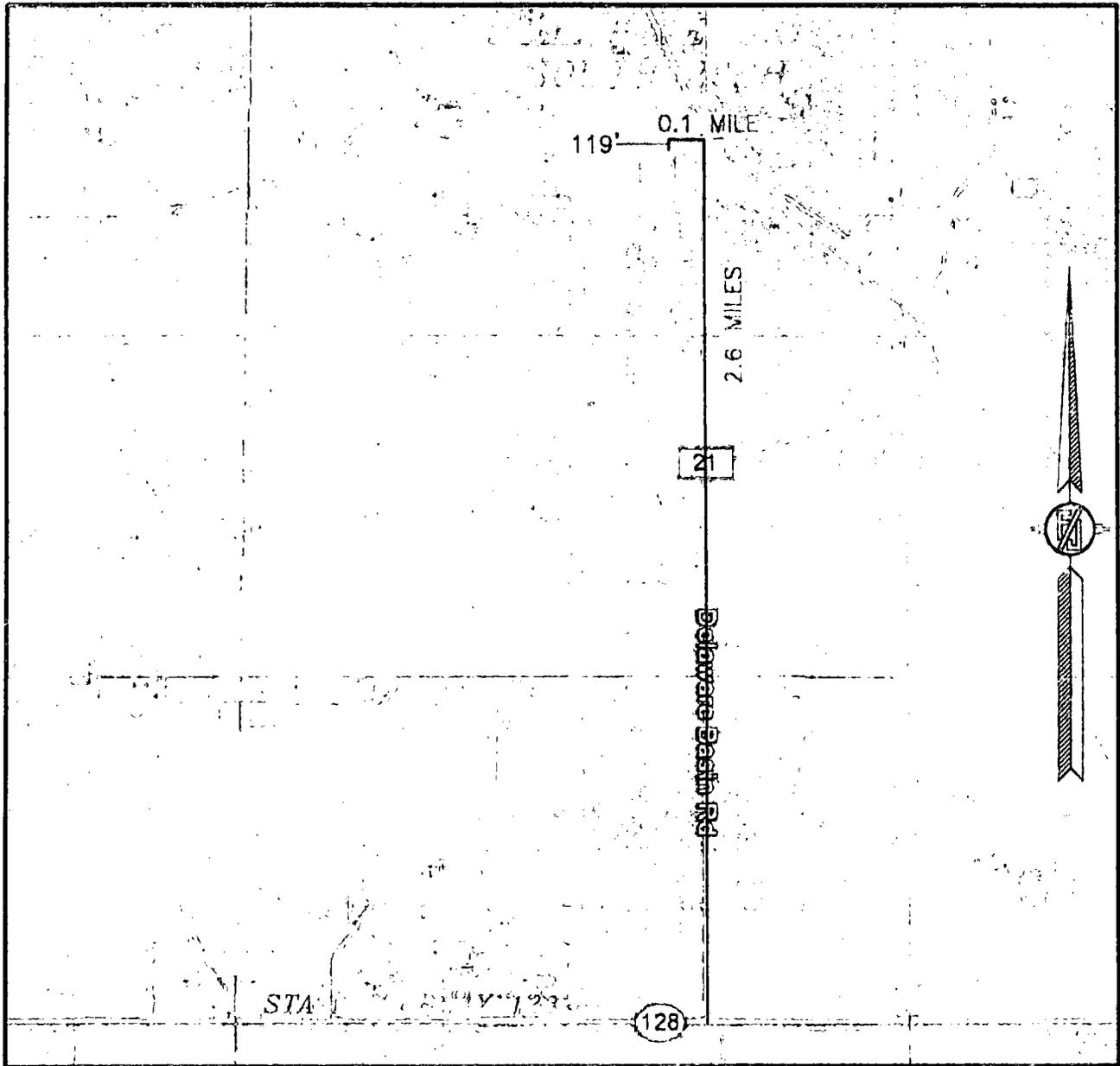
**DIRECTIONS TO LOCATION**  
 FROM STATE HIGHWAY 128 AND CR 21 (DELAWARE BASIN ROAD) GO  
 NORTH ON CR 21 2.6 MILES, TURN LEFT ON BELL LAKE ROAD AND  
 GO WEST 0.1 OF A MILE TO A ROAD SURVEY AND FOLLOW FLAGS  
 SOUTH 119' TO THE NORTH EDGE OF PAD FOR THIS LOCATION.

**KAISER-FRANCIS OIL CO.**  
**BELL LAKE UNIT SOUTH 208H**  
 LOCATED 2520 FT. FROM THE NORTH LINE  
 AND 1355 FT. FROM THE WEST LINE OF  
 SECTION 6, TOWNSHIP 24 SOUTH,  
 RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO

JANUARY 28, 2018

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
 (575) 234-3341 SURVEY NO. 5935A

SECTION 6, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.  
LEA COUNTY, STATE OF NEW MEXICO  
ACCESS AERIAL ROUTE MAP



NOT TO SCALE  
AERIAL PHOTO:  
GOOGLE EARTH  
NOVEMBER 2017

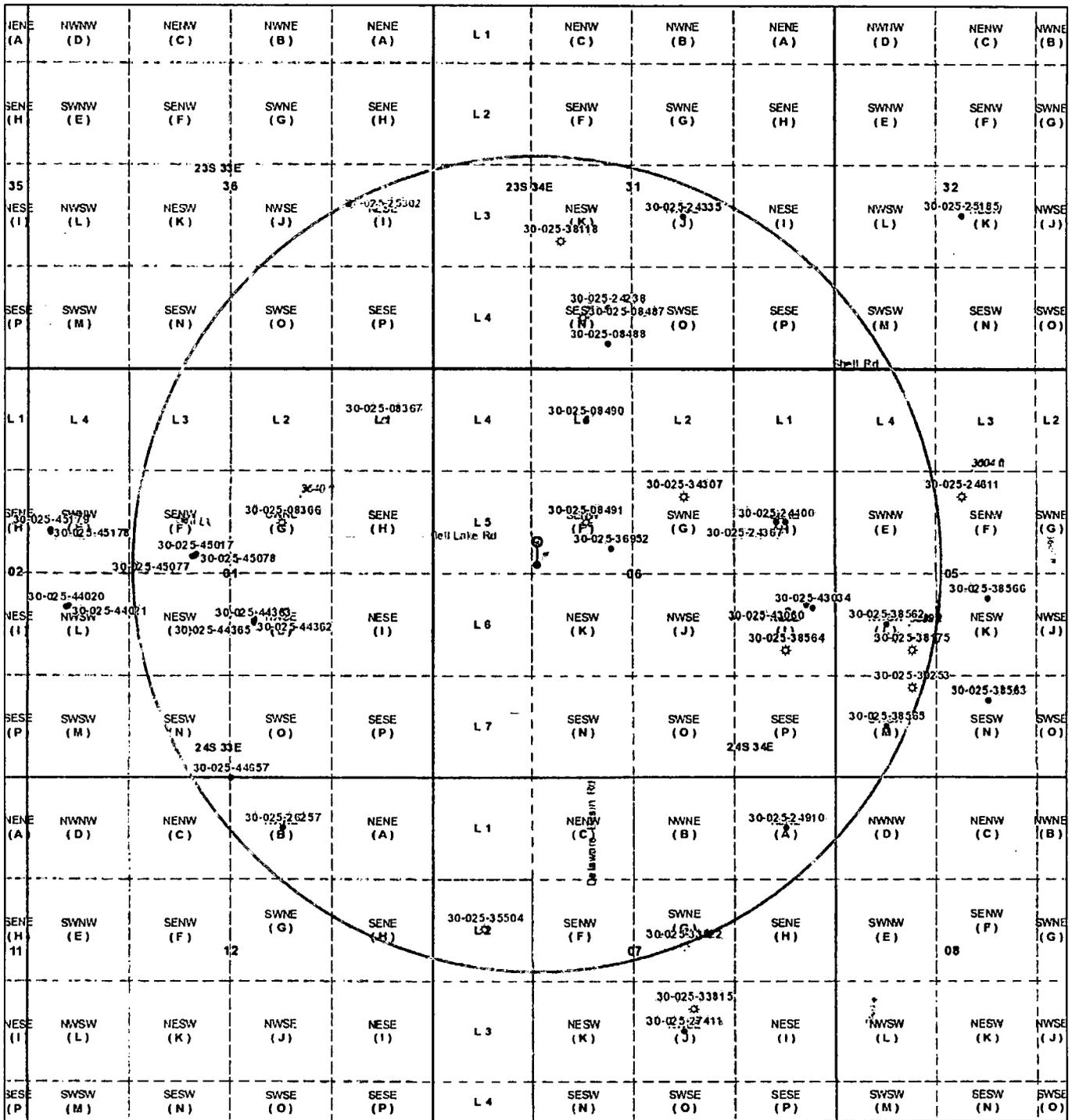
**KAISER-FRANCIS OIL CO.**  
**BELL LAKE UNIT SOUTH 208H**  
LOCATED 2520 FT. FROM THE NORTH LINE  
AND 1355 FT. FROM THE WEST LINE OF  
SECTION 6, TOWNSHIP 24 SOUTH,  
RANGE 34 EAST, N.M.P.M.  
LEA COUNTY, STATE OF NEW MEXICO

JANUARY 28, 2018

SURVEY NO. 5935A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

# BLUS 208H



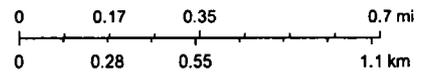
11/15/2018 1:00:17 PM

1:18,056

- Well Locations - Large Scale
- Miscellaneous
  - ☀ CO2 Active
  - ☀ CO2 Cancelled
  - ☀ CO2 New
  - ☀ CO2, Plugged
  - ☀ CO2, Temporarily Abandoned
  - ⊙ Gas Active
  - ⊙ Gas, Cancelled, Never Drilled
  - ⊙ Gas, New
  - ⊙ Gas, Plugged
  - ⊙ Gas, Temporarily Abandoned
  - ⊙ Injection, Active
  - ⊙ Injection, Cancelled

- ⊙ Injection, New
- ⊙ Injection, Plugged
- ⊙ Injection, Temporarily Abandoned
- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- Oil, Temporarily Abandoned
- △ Salt Water Injection, Active
- △ Salt Water Injection, Cancelled
- △ Salt Water Injection, New
- △ Salt Water Injection, Plugged
- △ Salt Water Injection Temporarily Abandoned

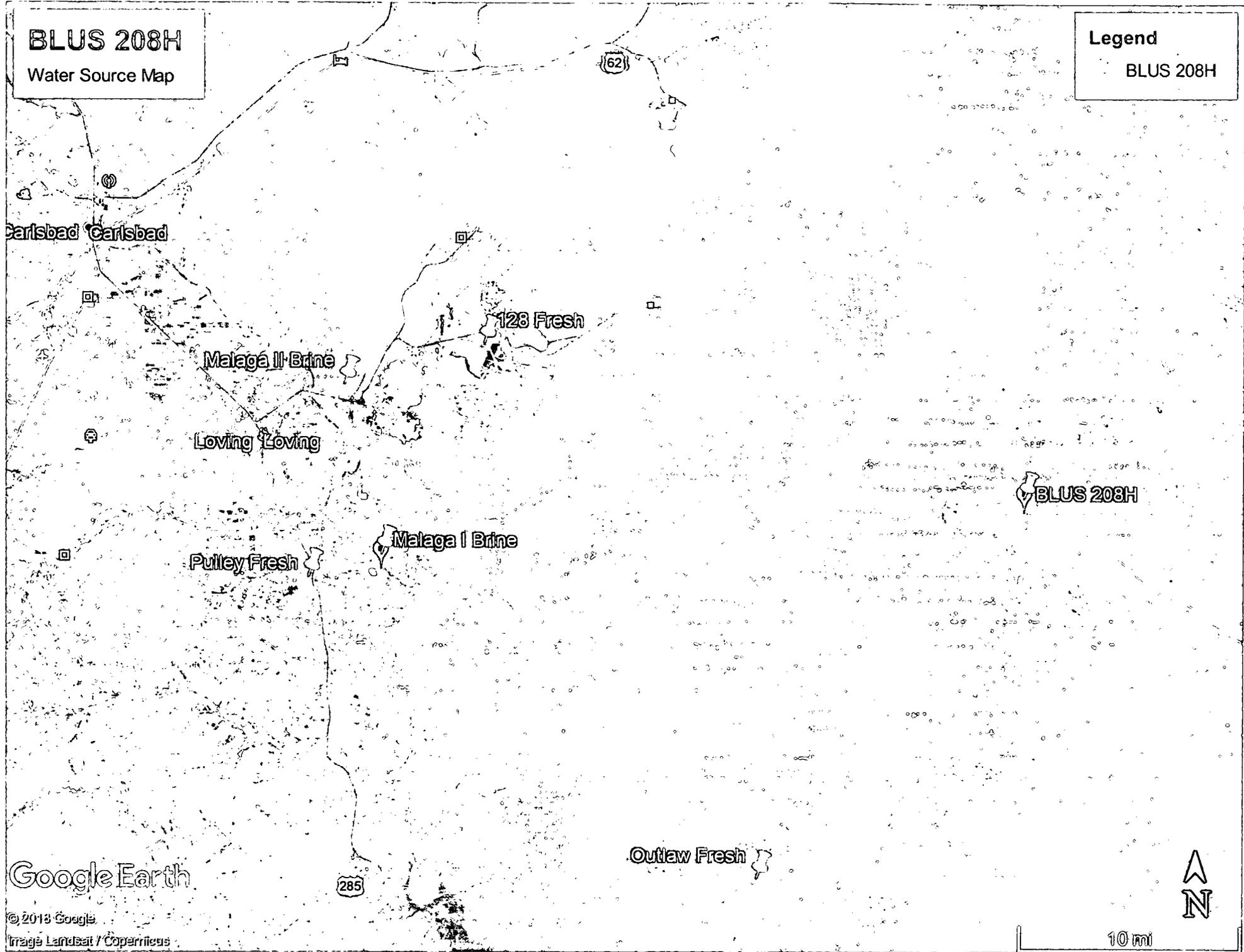
- Water, Active
  - Water, Cancelled
  - Water, New
  - Water, Plugged
  - Water, Temporarily Abandoned
- Well Locations - Small Scale
- Active
  - New
  - Plugged
  - Cancelled
  - Temporarily Abandoned
  - OCD Districts
  - ★ OCD District Offices
  - PLSS First Division



Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA, OCD, BLM

**BLUS 208H**  
Water Source Map

**Legend**  
BLUS 208H

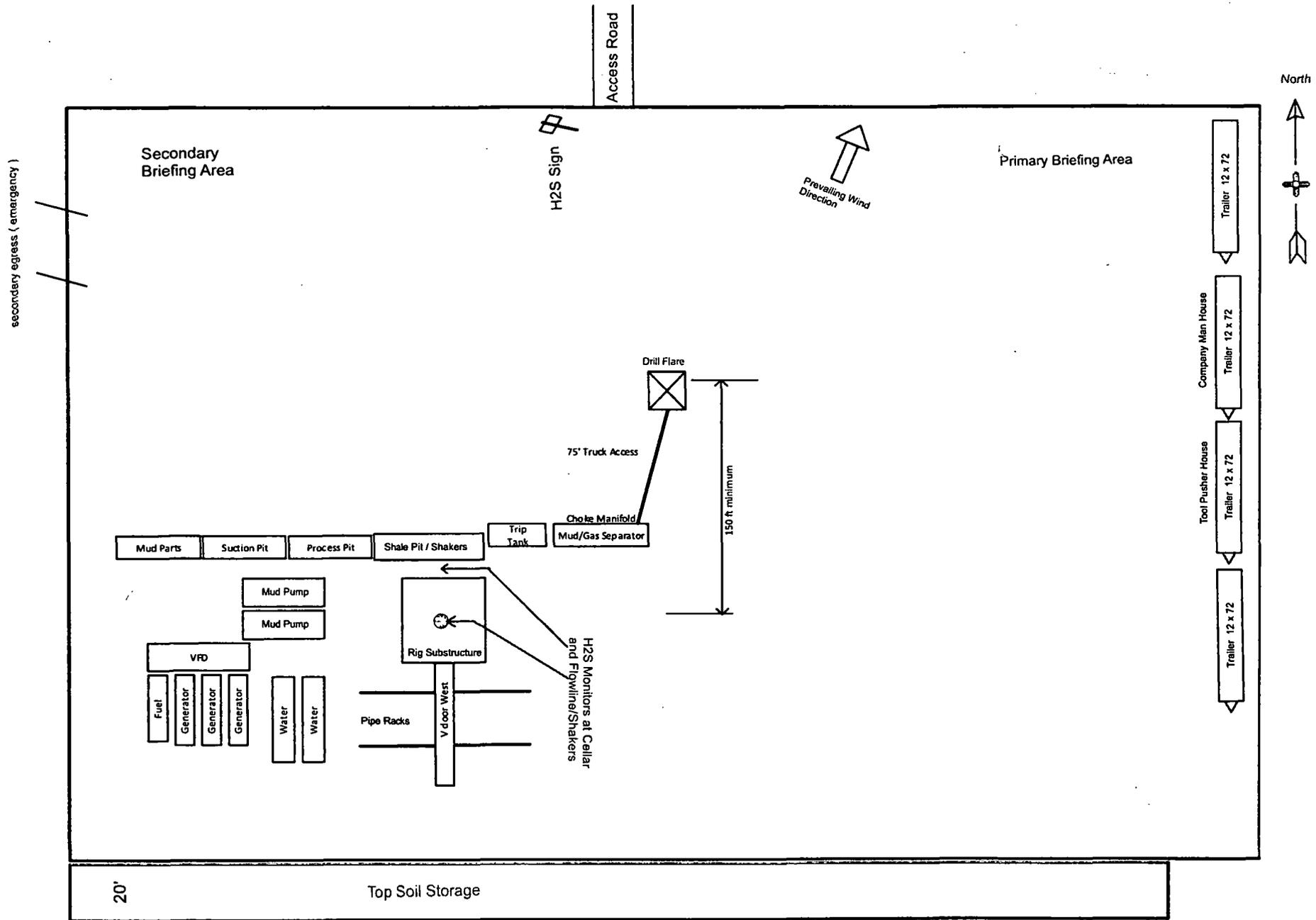


Google Earth

© 2013 Google  
Image Landsat / Copernicus



10 mi



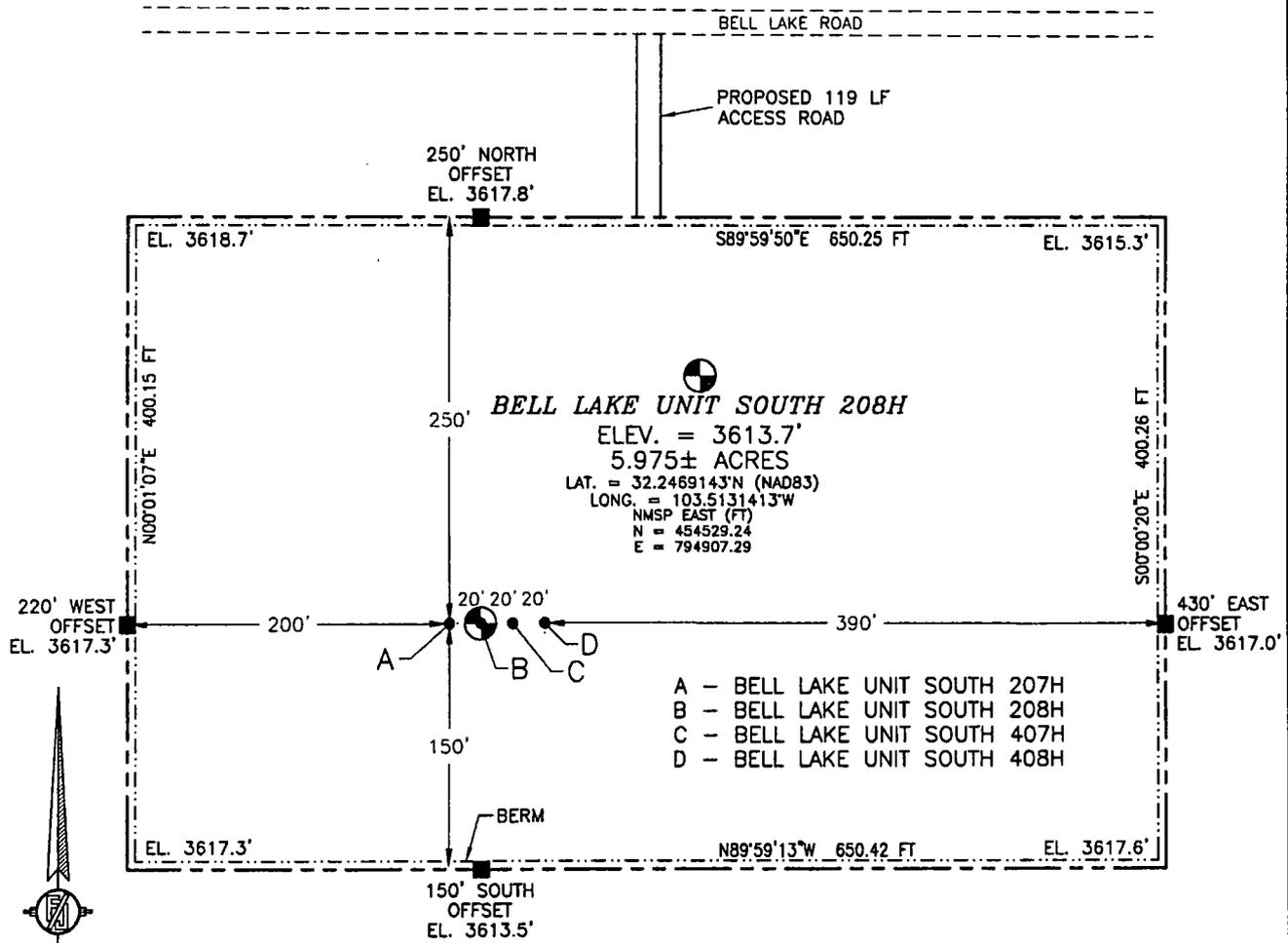
**General Drill Site Layout**

**400' x 650'**

Well: Bell Lake Unit South #207H

SECTION 6, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO  
**SITE MAP**

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. ELEVATION VALUES ARE NAVD88.



0 10 50 100 200

SCALE 1" = 100'  
 DIRECTIONS TO LOCATION

FROM STATE HIGHWAY 128 AND CR 21 (DELAWARE BASIN ROAD) GO NORTH ON CR 21 2.8 MILES, TURN LEFT ON BELL LAKE ROAD AND GO WEST 0.1 OF A MILE TO A ROAD SURVEY AND FOLLOW FLAGS SOUTH 119' TO THE NORTH EDGE OF PAD FOR THIS LOCATION.

KAISER-FRANCIS OIL CO.  
**BELL LAKE UNIT SOUTH 208H**  
 LOCATED 2520 FT. FROM THE NORTH LINE  
 AND 1355 FT. FROM THE WEST LINE OF  
 SECTION 6, TOWNSHIP 24 SOUTH,  
 RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO

JANUARY 28, 2018

SURVEY NO. 5935A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

**SPILL PREVENTION, CONTROL, AND COUNTERMEASURE PLAN**

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

**South Bell Lake Unit Pad #6 Production Facility**

**February 12, 2018**

**Table of Contents**

	<b>Page</b>
Cross-Reference with SPCC Rule	4
Introduction	5
Management Approval	6
Professional Engineer Certification	6
Plan Review	7
Location of SPCC Plan	7
Certification of Substantial Harm Determination	8
<b>Part I – General Facility Information</b>	
1.1 Company Information	9
1.2 Contact Information	9
1.3 Facility Layout Diagram	10
1.4 Facility Location and Operations	10
1.5 Oil Storage and Handling	11
1.6 Conformance w/Applicable State and Local Requirements	12
<b>Part II – Spill Response and Reporting</b>	
2.1 Discharge Discovery and Reporting	13
2.2 Spill Mitigation Procedures	14
2.3 Disposal Plan	15
<b>Part III – Spill Prevention, Control, and Countermeasure Provisions</b>	
3.1 Potential Discharge Volume and Direction of Flow	16
3.2 Containment and Diversionary Structures	17
3.3 Other Spill Prevention Measures	18
3.4 Inspections, Tests, and Records	19
3.5 Personnel, Training, and Discharge Prevention Procedures	20
<b>Appendix A – Facility Diagrams</b>	21
<b>Appendix B – Monthly Inspection Report</b>	23
<b>Appendix C – Record of Dike Drainage</b>	25
<b>Appendix D – Discharge Notification Procedures</b>	26
<b>Appendix E – Equipment Shut off Procedures</b>	31
<b>Appendix F – Written Commitment of Manpower, Equipment, and Materials</b>	32

	Page
<u>List of Tables</u>	
Table 0-1: Record of plan review and changes	7
Table 1-1: Facility contact information	10
Table 1-2: Characteristics of oil containers	11
Table 3-1: Potential discharge volume and direction of flow	16
Table 3-2: Berm capacity calculations	17
 <u>List of Figures</u>	
Figure A-1: Production facility diagrams	21

**Cross-Reference with SPCC Rule**

Provision*	Plan Section	Page(s)
112.3(d)	Professional Engineer Certification	6
112.3(e)	Location of SPCC Plan	7
112.5	Plan Review	7
112.7	Management Approval	6
112.7	Cross-Reference with SPCC Rule	4
112.7(a)(3)	Part I – General Information and Facility Diagram Appendix A: Facility Diagrams	9-12 Appendix A
112.4 and 112.7(a)(3)	2.1 Discharge Discovery and Reporting Appendix D: Discharge Notification	13-14 Appendix D
112.7(b)	3.1 Potential Discharge Volume and Direction of Flow	16
112.7(c)	3.2 Containment and Diversionary Structures	17
112.7(d)	3.2.3 Practicability of Secondary Containment Appendix F: Written Commitment of manpower, equipment and materials.	18 Appendix F
112.7(e)	3.4 Inspections, Tests, and Records Appendix B: Facility Inspection Checklists	19 Appendix B
112.7(f)	3.5 Personnel, Training, & Discharge Prevention Procedures Appendix D: Discharge Notification	20 Appendix D
112.7(g)	Security – N/A (does not apply to production facilities)	N/A
112.7(h)	Loading/Unloading Rack – N/A (no rack at this facility)	N/A
112.7(i)	3.4.3 Brittle Fracture Evaluation – N/A (no field-erected above-ground tank at this facility)	19
112.7(j)	1.6 Conformance with Applicable State and Local Requirements	12
112.9(b)	3.2.1 Oil Production Facility Drainage Appendix C: Record of Dike Drainage	17 Appendix C
112.9(c)(1)	1.5.1 Production Equipment	11
112.9(c)(2)	3.2.2 Secondary Containment for Bulk Storage Containers	17
112.9(c)(3)	3.4 Inspections, Tests, and Records Appendix B: Monthly Inspection Report	19 Appendix B
112.9(c)(4)	3.3.1 Bulk Storage Containers Overflow Prevention	18
112.9(d)(1)	3.3.2 Transfer Operations and Saltwater Disposal System	18
112.9(d)(2)	3.3.2 Transfer Operations and Saltwater Disposal System	18
112.9(d)(3)	3.4.4 Flowline Maintenance Program	20

\*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 Unit Pad #6 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



**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 Unit Pad #6

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.

\_\_\_\_\_  
Signature

EHS Manager  
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 Unit Pad #6
Type	Onshore oil production facility
Location	6-24S-34E Lea County, NM
Name and Address of Owner	Kaiser-Francis Oil Company  <i>Ardmore District Office</i> Box 197 (Dillard Route) Wilson, OK 73643  <i>Corporate Office</i> 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 Motes	Pumper	432/238-6996 (cell)
Jeff Pevehouse	Pumper	575/361-2965 (cell)
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	EHS Manager 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 Unit Pad #6 production facility; directions to the lease are as follows:

Fr/State Highway 128 and CR 21 (Delaware Basin Road) go North on CR 21 2.6 miles, turn left on Bell Lake Road and go West 0.1 of a mile to a road survey and follow flags South 119' to the North edge of pad for this 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 tanks 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)
<b>Bulk Storage Containers</b>						
<b>Operational Equipment</b>						
<b>Truck or Rail Loading/Unloading Rack</b>						
<b>Other Potential Spill Sources</b>						

- 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 and saltwater tanks (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 340 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**

<b>BERM CAPACITY</b>	
Berm height	3 ft
Berm dimensions	95 ft x 95 ft = 9025 ft <sup>2</sup>
Tank footprint	7 tanks @ 22 ft dia. each = $7 \times (\pi \frac{22^2}{4}) = 2660.93 \text{ ft}^2$
Net volume	3 ft x (9025-2660.93) = 19092.21 ft <sup>3</sup>
Ratio to largest tank	19092.21 / 5614.61 = 340 %
<b>CORRESPONDING AMOUNT OF FREEBOARD</b>	
100% volume of largest tank	42,000 gal = 5614.61 ft <sup>3</sup>
Net area	9025 - 2660.93 = 6364.07 ft <sup>2</sup>
Minimum berm height for 100% of tank volume	5614.61 / 6364.07 ft = .88 ft
Freeboard	3 - .88 = 2.12 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 (H<sub>2</sub>S) gas.

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

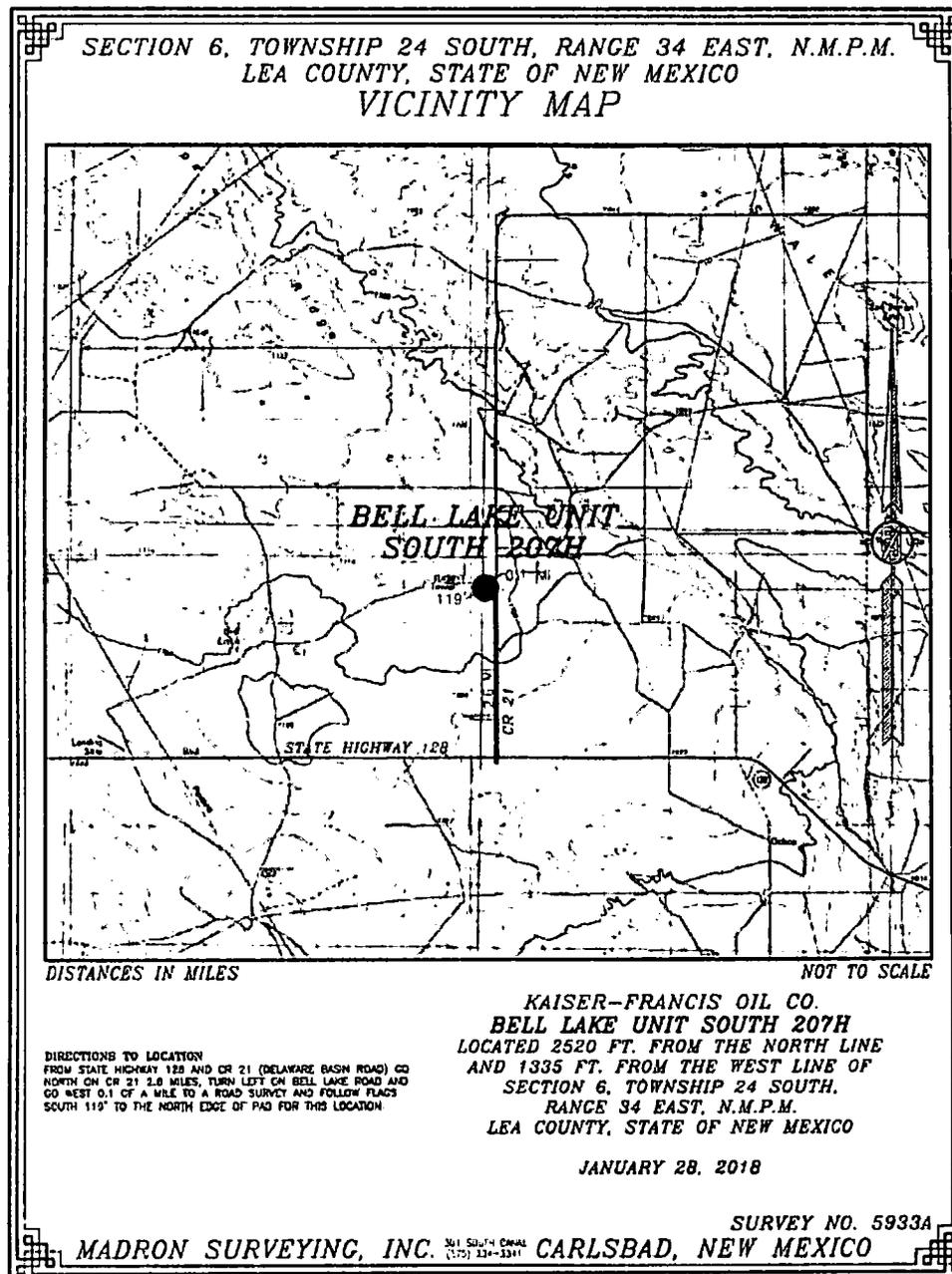
KFOC management holds briefings with company field operations personnel at least once a year, as described below.

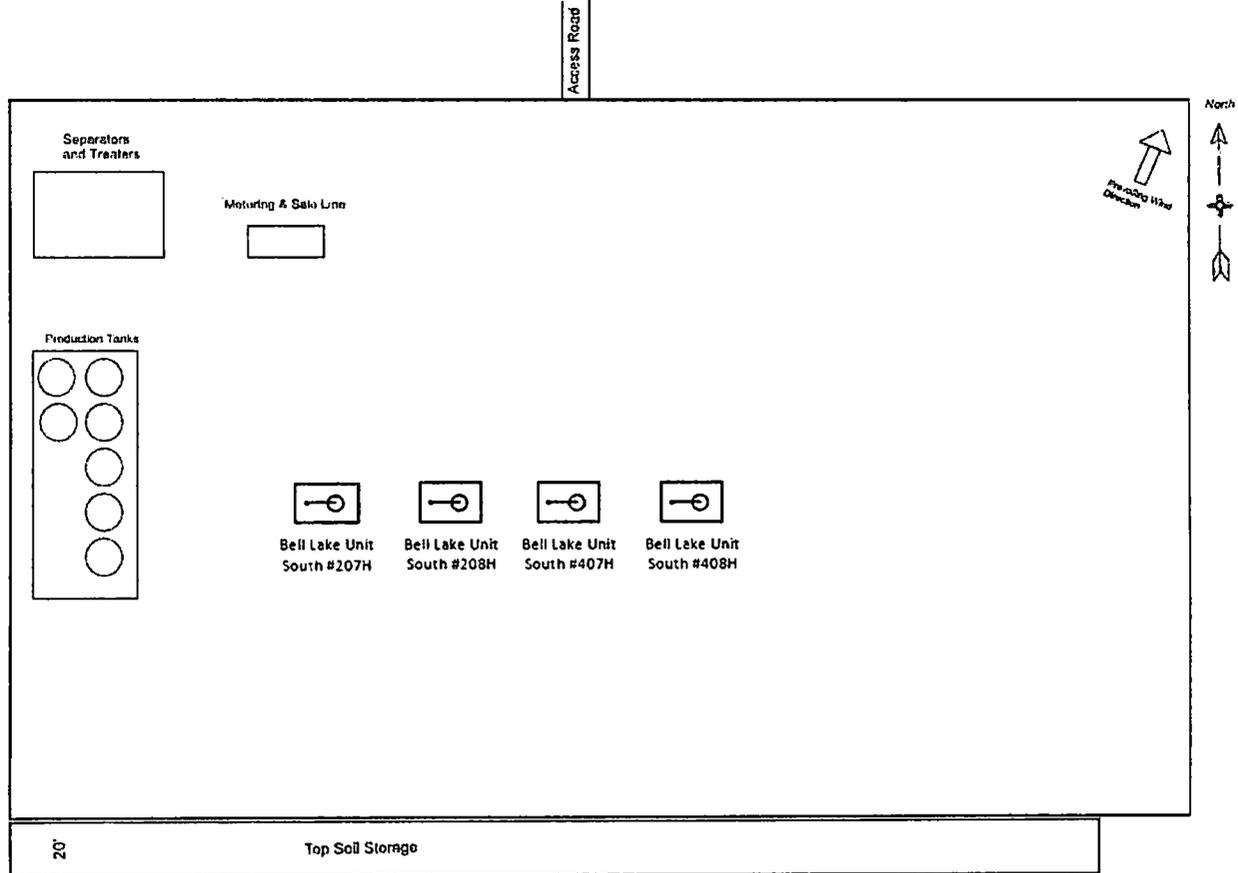
##### **3.5.1 Spill Prevention Briefing**

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





General Production Site Layout

Bell Lake Unit South Pad #6

400' x 650'

Planned equipment – 2-1000 bbl water tanks and 5-1000 bbl oil tanks, a temporary 6X20 horizontal 3-phase sep., a 48" x 10' 3-phase sep., a 8 X 20' heater treater and a 48" X 10' 2-phase sep.

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

Please 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.

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

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.

<b>Impacts</b>		
Quantity	Released:	Recovered:
Receiving Medium	<input type="checkbox"/> Water** <input type="checkbox"/> Land <input type="checkbox"/> Other (describe):	<input type="checkbox"/> Release confined to company property. <input type="checkbox"/> 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	<input type="checkbox"/> Fire <input type="checkbox"/> Explosion <input type="checkbox"/> Injuries <input type="checkbox"/> Fatalities <input type="checkbox"/> Evacuation <input type="checkbox"/> *Other	*Description of other:
<b>Notifications</b>		
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:

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

**Contact List and Phone Numbers**

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

<b>Contacts</b>	<b>Primary</b>	<b>Alternate (Cell)</b>
<b><i>Cleanup Contractors (as necessary):</i></b>		
Dozers – B&R Trucking – Carlsbad	575/236-6012	
Vacuum & Tank Trucks – Parker Energy – Eunice	575/394-0444	
Misc. Trucks & Labor – J&A Oilfield Svcs.	575/208-9653	
Pump Trucks – Parker Energy – Eunice	575/394-0444	
Frac Tanks – EOS – Hobbs	575/397-0100	
Welder – Custom Welding – Hobbs	575/393-5904	
<b><i>Federal, State and local agencies (as necessary)</i></b>		
National Response Center	(800) 424-8802	(202) 267-2675
NMOCC – Hobbs	505/393-6161	
EPA Region 6	866/372-7745	
OSHA – Lubbock	806/472-7681	800/321-OSHA
<b><i>Other contact references:</i></b>		
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.

**APPENDIX F: Written Commitment of Manpower,  
Equipment, and Materials**

In addition to implementing the preventive measures described in this Plan, Kaiser-Francis Oil Company will also:

In the event of a discharge:

- Make available trained field personnel to perform response actions
- Obtain assistance from additional employees from its main operations contractor.
- Collaborate with local, state, and federal authorities on response and cleanup operations.

Maintain all on-site oil spill control equipment described in this Plan and in the attached Oil Spill Contingency Plan.

Maintain all communications equipment in operating condition at all times.

Ensure that staging areas are accessible by field vehicles.

Review the adequacy of on-site and third party response capacity with pre-established response/cleanup contractors.

Maintain formal agreements/contracts with response and cleanup contractors who will provide assistance in responding to an oil discharge and/or completing cleanup.

# Surface Use & Operating Plan

## Bell Lake Unit South #208H

- Surface Owner: State of New Mexico
- Grazing Tenant: Mark T. McCloy & Annette E McCloy
- New Road: 119' of new road
- Facilities: Production facilities will be installed on well pad
  
- **Well Site Information**
  - V Door: West
  - Topsoil: South
  - Interim Reclamation: Reclaim 130' on the north and 80' on the west sides of location.

### Notes

**Onsite:** On-site was done by Will DeGrush (BLM); Matt Warner and Melanie Wilson (Kaiser-Francis), Frank Jaramillo (Madron Surveying) and Jeff (APAC Archaeology) on March 22, 2018.

## **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 Madron 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 119' 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 2-1000 bbl water tanks and 5-1000 bbl oil tanks, a temporary 6x20 horizontal 3-phase separator, a 48" x 10' 3-phase separator, a 8 x 20' heater treater and a 48"x 10' 2-phase separator.
- 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.
- D. No power line to this location is planned at this time.
- 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 OWL Operating's Madera SWD #1 located in Section 14-T24S-R34E.

- 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 Madron 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 south 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 recontoured 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 APAC, PO Box 1982, Carlsbad, New Mexico, phone # 575-200-7099, and the results will be forwarded to your office in the near future.

**13. Bond Coverage:**

Bond Coverage is Statewide Bonds # WY000055.

*Surface Use Plan  
Kaiser-Francis Oil Company Bell  
Lake Unit South #208H  
2520' FNL & 1355' FWL,  
SEW Section 6, T24S, R33E  
Lea County, New Mexico*

---

**15. Operator's Representative:**

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

Robert Sanford  
Drilling Engineer  
Kaiser-Francis Oil Company  
PO Box 21468  
Tulsa, OK 74121  
Cell: 918-770-2682  
Office: 918-491-4201

Matt Warner  
Drilling Engineer  
Kaiser-Francis Oil Company  
PO Box 21468  
Tulsa, OK 74121  
Cell: 720-556-2313  
Office: 918-491-4379



**Section 1 - General**

Would you like to address long-term produced water disposal? NO

**Section 2 - Lined Pits**

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

### Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

### Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Assigned injection well API number?

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Injection well name:

Injection well API number:

### Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

### Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



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

## Bond Info Data Report

04/11/2019

### Bond Information

Federal/Indian APD: FED

BLM Bond number: WYB000055

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment: