Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Carlsbad Field Office
OCD Hobbs

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
AUG 21 2019
RECEIVED

5. Lease Serial No.
NMNM 5321

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
RED HILLS 603H

2. Name of Operator
KAISER FRANCIS OIL COMPANY
Contact: ERIC HANSEN
E-Mail: EricH@KFOC.net

API Well No.
30-025-45899-00-X1

3a. Address
TULSA, OK 74121-1468

3b. Phone No. (include area code)
Ph: 918-491-4339

10. Field and Pool or Exploratory Area
JENNINGS

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 31 T25S R33E NWSW 2400FSL 1735FWL
32.086391 N Lat, 103.614449 W Lon

11. County or Parish, State
LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Kaiser Francis Oil Company request a variance of the 10,000 PSI Annular requirement for drilling the well listed below.

Red Hills 503H (FKA Red Hills 603H)

Kaiser Francis Oil Company will use a 5,000 PSI annular BOP with a 10,000 PSI BOP stack. A similar well Red Hills 402H and Red Hills 403H was drilled with a 5,000 PSI annular BOP, the Red Hills 603H will be drilled identical to the 403H. Additional BOP and well control information is attached.

All previous Conditions of Approval still apply. DR

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #478115 verified by the BLM Well Information System
For KAISER FRANCIS OIL COMPANY, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/15/2019 (19PP2864SE)

Name *(Printed/Typed)* ERIC HANSEN — Title DRILLING ENGINEER

Signature (Electronic Submission) — Date 08/14/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DYLAN ROSSMANGO — Title PETROLEUM ENGINEER — Date 08/16/2019

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Hobbs

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

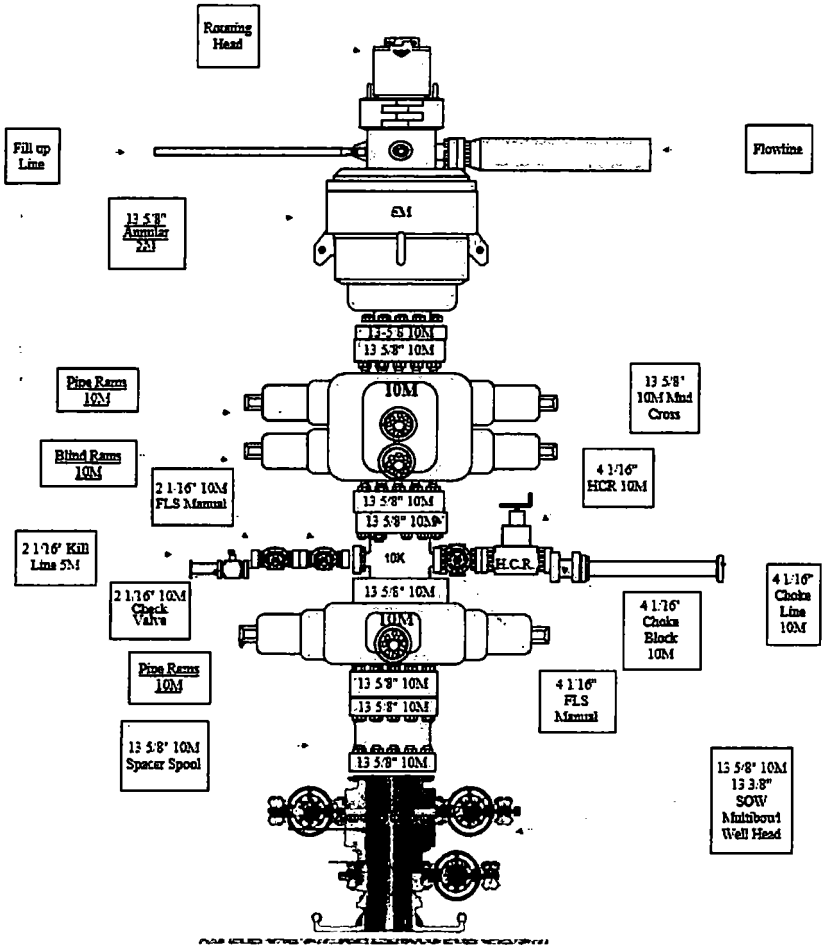
Kaiser Francis Oil Co.
10K Annular Variance Request

Kaiser Francis Oil Co. request a variance to use a 5K psi annular BOP with a 10K BOP stack. Attached are Kaiser Francis Oil Co. minimum processes required to assure a proper shut-in while drilling, tripping, open hole, and moving BHA through the BOPs. A minimum of one well control drill will be performed weekly per tour, to regulate compliance with well control procedures and plans. Drills will be determined by operations, and will variate on drills conducted. Drills will consist of but are not limited to pit, trip, open hole, and choke drills. This well control plan will be available for review to all rig personnel. A copy of well control plan will be located in the Kaiser Francis Oil Co. representative's office on location, and on the rig floor during drilling operations. All BOP equipment will be tested per Onshore O&G Order No. 2 with the exception of the 5K annular which will be tested to 70% of it rated working pressure.

A. BOP Diagram

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**



B. Component and Preventer Compatibility Table

Component	OD	Preventer	RWP
Drill Pipe	4 1/2"	Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5	10M
Heavyweight Drill Pipe	4 1/2"	Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5	10M
Drill Collars & MWD Tools	6 1/4"-4 ¾"	Annular Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5	5M 10M 10M
Mud Motor	8"-4 3/4"	Annular Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5	5M 10M 10M
Production Casing	5 1/2"	Upper VBR: 3.5 – 5.5 Lower VBR: 3.5 – 5.5	10M
Surface Casing	10-3/4"	Annular	5M
Intermediate Casing	7-5/8	Annular	5M
All	0 – 13 5/8"	Annular	5M
Open Hole		Blind Rams	10M

C. Well Control Procedures

I. <u>General Procedures While Drilling</u>:

a. Sound alarm – alert crew
b. Space out drill string
c. Shut down pumps and stop rotary
d. Open HCR
e. Shut well in, utilizing upper VBRs
f. Close choke
g. Confirm shut in
h. Notify rig manager and KFOC, Inc. company representative
i. Call KFOC, Inc. engineer
j. Read and record:
    i. Shut in drill pressure and shut in casing pressure
    ii. Pit gain
    iii. Time
k. Regroup, identify forward plan

II. <u>General Procedures While Tripping</u>:

a. Sound alarm – alert crew
b. Stab full opening safety valve and close
c. Space out drill string
d. Open HCR

e. Shut well in, utilizing upper VBRs
f. Close choke
g. Confirm shut in
h. Notify rig manager and KFOC. company representative
i. Call KFOC. engineer
j. Read and record:
    i. Shut in drill pressure and shut in casing pressure
    ii. Pit gain
    iii. Time
k. Regroup, identify forward plan

III. General Procedures While Running Casing:

a. Sound alarm – alert crew
b. Stab full opening safety valve and close
c. Space out drill string
d. Open HCR
e. Shut well in, utilizing upper VBRs
f. Close choke
g. Confirm shut in
h. Notify rig manager and KFOC company representative
i. Call KFOC engineer
j. Read and record:
    i. Shut in drill pressure and shut in casing pressure
    ii. Pit gain
    iii. Time
k. Regroup, identify forward plan

IV. General Procedures With No Pipe in Hole (Open Hole):

a. Sound alarm – alert crew
b. Open HCR
c. Shut well in with blind rams
d. Close choke
e. Confirm shut in
f. Notify rig manager and KFOC company representative
g. Call KFOC engineer
h. Read and record:
i. Shut in drill pressure and shut in casing pressure
    ii. Pit gain
    iii. Time
j. Regroup, identify forward plan

V. General Procedures While Pulling BHA Through BOP Stack:

1. Prior to pulling last joint of drill pipe through stack A.
   Perform flow check and if flowing:
    a. Sound alarm – alert crew
    b. Stab full opening safety valve and close
    c. Space out drill string with tool joint just beneath upper pipe ram

d. Open HCR
e. Shut well in utilizing upper VBRs
f. Close choke
g. Confirm shut in
h. Notify rig manager and KFOC company representative
i. Call KFOC engineer
j. Read and record:
    i. Shut in drill pressure and shut in casing pressure
    ii. Pit gain
    iii. Time
k. Regroup, identify forward plan

2. With BHA in the BOP stack and compatible ram preventer and pipe combo immediately available.
a. Sound alarm – alert crew
b. Stab full opening safety valve and close
c. Space out drill string with tool joint just beneath upper pipe ram
d. Open HCR
e. Shut well in utilizing upper VBRs
f. Close choke
g. Confirm shut in
h. Notify rig manager and KFOC. company representative
i. Call KFOC engineer
j. Read and record:
    i. Shut in drill pressure and shut in casing pressure
    ii. Pit gain
    iii. Time
k. Regroup, identify forward plan

3. With BHA in the BOP stack and no compatible ram preventer and pipe combo immediately available
a. Sound alarm – alert crew
b. If possible to pick up high enough, pull string clear of the stack and follow Open Hole scenario (III)
c. If impossible to pick up high enough to pull the string clear of the stack:
    i. Stab crossover, make up one joint/stand of drill pipe and full opening safety valve and close
    ii. Space out drill string with tool joint just beneath the upper pipe ram
    iii. Open HCR
    iv. Shut in utilizing upper VBRs
    v. Close choke
    vi. Confirm shut in
    vii. Notify rig manager and Mesquite SWD, Inc. company representative
    viii. Read and record:
        1. Shut in drill pipe pressure and shut in casing pressure
        2. Pit gain
        3. Time

d. Regroup and identify forward plan

** If annular is used to shut in well and pressure build to or is expected to get to 50% of RWP, confirm space-out and swap to upper VBRs for shut in.