

| | | |
|-------------------------------|---|----------------------------------|
| Well Name: HAYNES CANYON UNIT | Well Location: T23N / R6W / SEC 3 / SWSW / | County or Parish/State: |
| Well Number: 440H | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMNM130875 | Unit or CA Name: Haynes Canyon Unit | Unit or CA Number: NMNM105770949 |
| US Well Number: 3003931447 | Well Status: Approved Application for Permit to Drill | Operator: ENDURING RESOURCES LLC |

Notice of Intent

Sundry ID: 2775123

| | |
|--|------------------------------|
| Type of Submission: Notice of Intent | Type of Action: APD Change |
| Date Sundry Submitted: 02/14/2024 | Time Sundry Submitted: 11:45 |
| Date proposed operation will begin: 02/14/2024 | |

Procedure Description: Following the horizontal directional plan approved on 2/12/2024, DJR respectfully requests approval to revise the casing & cement design for the subject well. Change Surface to a 12.25" hole. 9.625" 36# K55 STC casing. 0 to 350' MD. Change Intermediate to a 8.75" hole. 7" 26# K55 LTC casing. 0 to 5923' MD. Change Production to a 6.125" hole. 4.5" 11.6# P110 BTC casing. TOL: 5773' BOL: 12332' MD. Attachments: new calculated slurry volumes and proposed wellbore diagram with new FTP target.

NOI Attachments

Procedure Description

440H_Casing___Cement_Rev3_20240214114527.pdf

| | | |
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Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: SHAW-MARIE FORD

Signed on: FEB 14, 2024 11:45 AM

Name: ENDURING RESOURCES LLC

Title: Regulatory Specialist

Street Address: 1 ROAD 3263

City: AZTECState: NM

Phone: (505) 632-3476

Email address: SFORD@DJRLLC.COM

Field

Representative Name:

Street Address:

City:State:Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 02/21/2024

Signature: Kenneth Rennick

DETAILED DRILLING PLAN:**SURFACE:** Drill vertically to casing setting depth (plus necessary rathole), run casing, cement casing to surface.

| | | | | |
|------------|----|--------------|----------------------|--------|
| 0 ft (MD) | to | 350 ft (MD) | Hole Section Length: | 350 ft |
| 0 ft (TVD) | to | 350 ft (TVD) | Casing Required: | 350 ft |

Note: Surface hole may be drilled, cased, and cemented with a smaller rig in advance of the drilling rig.

| Fluid: | Type | MW (ppg) | FL (mL/30 min) | PV (cp) | YP (lb/100 sqft) | pH | Comments |
|--------|-------------|----------|-------------------|---------|---------------------|-----|----------|
| | Fresh Water | 8.4 | N/C | 2 - 8 | 2 - 12 | 9.0 | Spud mud |

Hole Size: 12-1/4"

Bit / Motor: Mill Tooth or PDC, no motor

MWD / Survey: No MWD, deviation survey

Logging: None

| Casing Specs: | | Wt (lb/ft) | Grade | Conn. | Collapse (psi) | Burst (psi) | Tens. Body (lbs) | Tens. Conn (lbs) |
|---------------|-------|------------|-------|-------|----------------|-------------|---------------------|---------------------|
| Specs | 9.625 | 36.0 | K-55 | STC | 2,020 | 3,520 | 564,000 | 423,000 |
| Loading | | | | | 153 | 1,173 | 110,988 | 110,988 |
| Min. S.F. | | | | | 13.21 | 3.00 | 5.08 | 3.81 |

Assumptions: Collapse: fully evacuated casing with 8.4 ppg equivalent external pressure gradient

Burst: maximum anticipated surface pressure with 9.5 ppg fluid inside casing while drilling
intermediate hole and 8.4 ppg equivalent external pressure gradient

Tension: buoyed weight in 8.4 ppg fluid with 100,000 lbs over-pull

| Cement: | Type | Weight (ppg) | Yield (cuft/sk) | Water (gal/sk) | Hole Cap. (cuft/ft) | % Excess | Planned TOC (ft MD) | Total Cmt (sx) | Total Cmt (cu ft) |
|----------|-----------|--------------|--------------------|-------------------|------------------------|----------|------------------------|-------------------|----------------------|
| Redi-Mix | TYPE I-II | 14.5 | 1.61 | 7.41 | 0.3132 | 50% | 0 | 114 | 184 |

Calculated cement volumes assume gauge hole and the excess noted in table

Csg ID

8.921

INTERMEDIATE: Drill as per directional plan to casing setting depth, run casing, cement casing to surface.

| | | | | |
|---------------------|-----------|-----------------------|-----------------------------|-----------------|
| 350 ft (MD) | to | 5,923 ft (MD) | Hole Section Length: | 5,573 ft |
| 350 ft (TVD) | to | 5,492 ft (TVD) | Casing Required: | 5,923 ft |

| Fluid: | Type | MW (ppg) | FL (mL/30 min) | PV (cp) | YP (lb/100 sqft) | pH | Comments |
|--------|------------|-----------|-------------------|---------|---------------------|-----------|----------|
| | LSND (KCI) | 8.8 - 9.5 | 20 | 8 - 14 | 8 - 14 | 9.0 - 9.5 | No OBM |

Hole Size: 8.75

MWD / Survey: MWD Survey with inclination and azimuth survey (every 100' at a minimum), GR optional

Logging: None

| Casing Specs: | | Wt (lb/ft) | Grade | Conn. | Collapse (psi) | Burst (psi) | Tens. Body (lbs) | Tens. Conn (lbs) |
|---------------|---|------------|-------|-------|----------------|-------------|---------------------|---------------------|
| Specs | 7 | 26.0 | K-55 | LTC | 4,320 | 4,980 | 415,000 | 367,000 |
| Loading | | | | | 2,399 | 1,484 | 234,294 | 234,294 |
| Min. S.F. | | | | | 1.80 | 3.36 | 1.77 | 1.57 |

Assumptions: Collapse: fully evacuated casing with 8.4 ppg equivalent external pressure gradient

Burst: maximum anticipated surface pressure with 9.5 ppg fluid inside casing while drilling production hole and 8.4 ppg equivalent external pressure gradient

Tension: buoyed weight in 8.4 ppg fluid with 100,000 lbs over-pull

| Cement: | Type | Weight (ppg) | Yield (cuft/sk) | Water (gal/sk) | % Excess | Planned TOC (ft MD) | Total Cmt (sx) | Total Cmt (cu ft) |
|---------|---------------|--------------|--------------------|-------------------|----------|------------------------|-------------------|----------------------|
| Lead | III:POZ Blend | 12.5 | 2.140 | 12.05 | 70% | 0 | 534 | 1,142 |
| Tail | Type III | 14.6 | 1.380 | 6.64 | 20% | 4,591 | 181 | 250 |

| | | | | | | | | |
|------------------|---------|---------|--------------------------------------|--|--|--|--------------|-------|
| Annular Capacity | 0.16681 | cuft/ft | 7" casing x 9-5/8" casing annulus | | | | Shoe Track L | 44 |
| | 0.1503 | cuft/ft | 9-5/8" casing x 12-1/4" hole annulus | | | | Casing ID | 6.276 |
| | 0.2148 | cuft/ft | 7" casing casing volume | | | | | |

Calculated cement volumes assume gauge hole and the excess noted in table

PRODUCTION: Drill to TD following directional plan, run casing, cement casing to surface.

| | | | | |
|--------------------------------|----|----------------|----------------------|----------|
| 5,923 ft (MD) | to | 12,332 ft (MD) | Hole Section Length: | 6,409 ft |
| 5,492 ft (TVD) | to | 5,521 ft (TVD) | Casing Required: | 6,559 ft |
| Estimated KOP: | | 5,123 ft (MD) | 4,928 ft (TVD) | |
| Estimated Liner Top: | | 5,773 ft (MD) | 5,447 ft (TVD) | |
| Estimated Landing Point (FTP): | | 5,823 ft (MD) | 5,466 ft (TVD) | |
| Estimated Lateral Length: | | 6,509 ft (MD) | | |

| Fluid: | Type | MW (ppg) | FL (mL/30') | PV (cp) | YP (lb/100 sqft) | pH | Comments | Comments |
|--------|------|-----------|-------------|---------|------------------|-------|------------|--------------------|
| | WBM | 8.7 - 9.0 | NC | +20 | ±2 | 9-9.5 | prod water | OBM as contingency |

Hole Size: 6.125**MWD / Survey:** MWD with GR, inclination, and azimuth (survey every joint from KOP to Landing Point and survey every 100' minimum before KOP and after Landing Point)**Logging:** GR MWD for entire section, no mud-log or cuttings sampling, no OH WL logs

| Liner/Casing Specs: | Size (in) | Wt (lb/ft) | Grade | Conn. | Collapse (psi) | Burst (psi) | Tens. Body (lbs) | Tens. Conn (lbs) |
|---------------------|-----------|------------|-------|-------|----------------|-------------|------------------|------------------|
| Specs | 4.500 | 11.6 | P-110 | BTC | 7,560 | 10,690 | 367,000 | 385,000 |
| Loading | | | | | 2,727 | 8,816 | 223,440 | 223,440 |
| Min. S.F. | | | | | 2.77 | 1.21 | 1.64 | 1.72 |

Assumptions: Collapse: fully evacuated casing with 9.5 ppg fluid in the annulus (floating casing during running)

Burst: 8,500 psi maximum surface treating pressure with 10.2 ppg equivalent mud weight sand laden fluid with 8.4 ppg equivalent external pressure gradient.

Tension: buoyed weight in 9.0 ppg fluid with 100,000 lbs over-pull. Tension calculations assume vertical hole to approximate drag in lateral.

| Cement: | Type | Weight (ppg) | Yield (cuft/sk) | Water (gal/sk) | % Excess | Planned TOC (ft MD) | Total Cmt (sx) | Total Cmt (cu ft) |
|--------------|-------------------|--------------|-----------------|----------------|----------|---------------------|----------------|-------------------|
| Spacer | IntegraGuard Star | 11 | | 31.6 | | 0 | 60 bbls | |
| Tail | G:POZ blend | 13.3 | 1.560 | 7.70 | 30% | 5,773 | 546 | 852 |
| Displacement | 159 | est bbls | | | | | | |

| | | | | |
|------------------|---------|---------|-------------------------------------|--------------------|
| Annular Capacity | 0.1044 | cuft/ft | 4-1/2" casing x 7" casing annulus | |
| | 0.09417 | cuft/ft | 4-1/2" casing x 6-1/8" hole annulus | |
| | 0.0873 | cuft/ft | 4-1/2" casing vol | est shoe jt ft 100 |
| | 0.0102 | bbls/ft | 4" DP capacity | |

Calculated cement volumes assume gauge hole and the excess noted in table

| Spacer | S-8 Silica Flour 163.7 lbs/bbl | Avis 616 viscosifier 11.6 lb/bbl | FP24 Defoamer .5 lb/bbl | IntegraGuard Star Plus 3K LCM 15 lb/bbl | SS201 Surfactant 1 gal/bbl | | |
|--------|-----------------------------------|-------------------------------------|-------------------------------------|---|--|--|---|
| Lead | ASTM Type I/II | BA90 Bonding Agent 5.0 lb/sx | Bentonite Viscosifier 8% BWOB | FL24 Fluid Loss .5% BWOB | IntegraGuard GW86 Viscosifier .1% BWOB | R7C Retarder .2% BWOB | FP24 Defoamer 0.3% BWOB, Anti- Static .01 lb/sx |
| Tail | Type G 50% | Pozzolan Fly Ash Extender 50% | BA90 Bonding Agent 3.0 lb/sx | Bentonite Viscosifier 4% BWOB | FL24 Fluid Loss .4% BWOB | IntegraGuard GW86 Viscosifier .1% BWOB | FP24 Defoamer .3% BWOB, IntegraSeal 0.25 lb/sx |

WELL NAME: Haynes Canyon Unit 440H

OBJECTIVE: Drill, complete, and equip single lateral in the Mancos-Gallup formation

API Number: 30-039-31447

AFE Number: Not yet assigned

ER Well Number: Not yet assigned

State: New Mexico

County: San Juan

Surface Elev.: 6,703 ft ASL (GL) 6,728 ft ASL (KB)

Surface Location: 3-23-6 Sec-Twn- Rng 916 ft FSL 390 ft FWL

BH Location: 4-23-6 Sec-Twn- Rng 556 ft FNL 232 ft FWL

Driving Directions: FROM THE INTERSECTION OF US HWY 550 & US HWY 64 IN BLOOMFIELD, NM:

South on US Hwy 550 for 53.8 miles to MM 97.6; Left (North) on CR #379 (State Hwy 403) for 1.3 miles to fork; Right (North) remaining on CR #379 for 1.5 miles to location access on left; Haynes Canyon Unit 428H Pad. From East to West 430H, 428H, 442H, 440H).

| QUICK REFERENCE | |
|-----------------|-------------|
| Sur TD (MD) | 350 ft |
| Int TD (MD) | 5,923 ft |
| KOP (MD) | 5,123 ft |
| KOP (TVD) | 4,928 ft |
| Target (TVD) | 5,466 ft |
| Curve BUR | 10 °/100 ft |
| POE (MD) | 5,823 ft |
| TD (MD) | 12,332 ft |
| Lat Len (ft) | 6,509 ft |

WELL CONSTRUCTION SUMMARY:

| | Hole (in) | TD MD (ft) | Csg (in) | Csg (lb/ft) | Csg (grade) | Csg (conn) | Csg Top (ft) | Csg Bot (ft) |
|--------------|-----------|------------|----------|-------------|-------------|------------|--------------|--------------|
| Surface | 12.250 | 350 | 9.625 | 36 | K-55 | STC | 0 | 350 |
| Intermediate | 8.750 | 5,923 | 7 | 26.0 | K-55 | LTC | 0 | 5,923 |
| Production | 6.125 | 12,332 | 4.500 | 11.6 | P-110 | BTC | 5,773 | 12,332 |

CEMENT PROPERTIES SUMMARY:

| | Type | Wt (ppg) | Yd (cuft/sk) | Wtr (gal/sk) | Hole Cap. (cuft/ft) | % Excess | TOC (ft MD) | Total (sx) |
|---------------|---------------|----------|--------------|--------------|---------------------|----------|-------------|------------|
| Surface | TYPE I-II | 14.5 | 1.61 | 7.41 | 0.3132 | 50% | 0 | 114 |
| Inter. (Lead) | III:POZ Blend | 12.5 | 2.14 | 12.05 | 0.1668 | 70% | 0 | 534 |
| Inter. (Tail) | Type III | 14.6 | 1.38 | 6.64 | 0.1503 | 20% | 4,591 | 181 |
| Prod. (Lead) | 0 | 0 | 0.000 | 0 | 0.1044 | 0% | 0 | 0 |
| Prod. (Tail) | G:POZ blend | 13.3 | 1.560 | 7.7 | 0.0873 | 30% | 5,773 | 546 |

COMPLETION / PRODUCTION SUMMARY:

Frac: 39 plug-and-perf stages with 150,000 bbls slickwater fluid and 12,100,000 lbs of proppant (estimated)
Flowback: Flow back through production tubing as pressures allow
Production: Produce through production tubing via gas-lift into permanent production and storage facilities

| Tops | TVD (ft KB) | MD (ft KB) |
|-----------------|-------------|------------|
| Ojo Alamo | 1,403 | 1,406 |
| Kirtland | 1,503 | 1,509 |
| Fruitland | 1,728 | 1,746 |
| Pictured Cliffs | 1,963 | 1,998 |
| Lewis | 2,113 | 2,158 |
| Chacra | 2,408 | 2,473 |
| Cliff House | 3,517 | 3,660 |
| Menefee | 3,522 | 3,665 |
| Point Lookout | 4,222 | 4,411 |
| Mancos | 4,497 | 4,691 |
| Gallup (MNCS_A) | 4,836 | 5,032 |
| MNCS_B | 4,927 | 5,122 |
| MNCS_C | 5,062 | 5,258 |
| MNCS_Cms | 5,127 | 5,326 |
| MNCS_D | 5,202 | 5,409 |
| MNCS_E | 5,287 | 5,511 |
| MNCS_F | 5,332 | 5,572 |
| MNCS_G | 5,418 | 5,710 |
| MNCS_H | 5,458 | 5,800 |
| MNCS_I | 0 | 0 |
| FTP TARGET | 5,466 | 5,823 |
| PROJECTED TD | 5,521 | 12,332 |

District I
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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 316723

CONDITIONS

| | |
|--|--|
| Operator: ENDURING RESOURCES, LLC 6300 S Syracuse Way, Suite 525 Centennial, CO 80111 | OGRID: 372286 |
| | Action Number: 316723 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition | Condition Date |
|-------------|---|----------------|
| ward.rikala | All original COA's still apply. Additionally, if cement is not circulated to surface during cementing operations, then a CBL is required. | 3/4/2024 |