<u>District I</u> 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**

Form C-101 August 1, 2011

Permit 370182

PPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZON	E

APPLIC	APPLICATION FOR PERIVIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE									
1. Operator Name and Address		2. OGRID Number								
Tascosa Energy Partners, L.L.C	Tascosa Energy Partners, L.L.C									
901 W. Missouri Ave	901 W. Missouri Ave									
Midland, TX 79701		30-015-55251								
4. Property Code	5. Property Name	6. Well No.								
336088	204H									
7. Surface Location										

UL - Lot		Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	E	2	21S	24E	13	3873	S	776	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Н	2	21S	24E	16	3022	S	100	E	Eddy

0.1 commonitation	
AVALON; BONE SPRING	96381

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	3807
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date
N	10553	2nd Bone Spring Sand		9/1/2024
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☑ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

21. Floposed Casing and Cement Flogram								
Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC		
Surf	17.5	13.375	48	500	492	0		
Int1	12.25	9.625	36	2500	964	0		
Prod	8.5	5.5	20	10553	1634	0		

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

22.1 Topocca Biomout Tovintion 1 Togram								
Type	Working Pressure	Test Pressure	Manufacturer					
Pipe	5000	5000	CTI					
Double Ram	5000	5000	CTI					
Blind	5000	5000	CTI					

knowledge and b	pelief. have complied with 19.15.14.9 (A)	true and complete to the best of my NMAC and/or 19.15.14.9 (B) NMAC		OIL CONSERVATIO	N DIVISION
Signature:					
Printed Name:	Electronically filed by Kelly M Har	dy	Approved By:	Ward Rikala	
Title:	Land Manager		Title:	Petroleum Specialist Supervisor	
Email Address:	khardy@tascosaep.com		Approved Date:	7/18/2024	Expiration Date: 7/18/2026
Date:	7/17/2024	Phone: 432-695-6970	Conditions of Appr	oval Attached	

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 District III

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 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

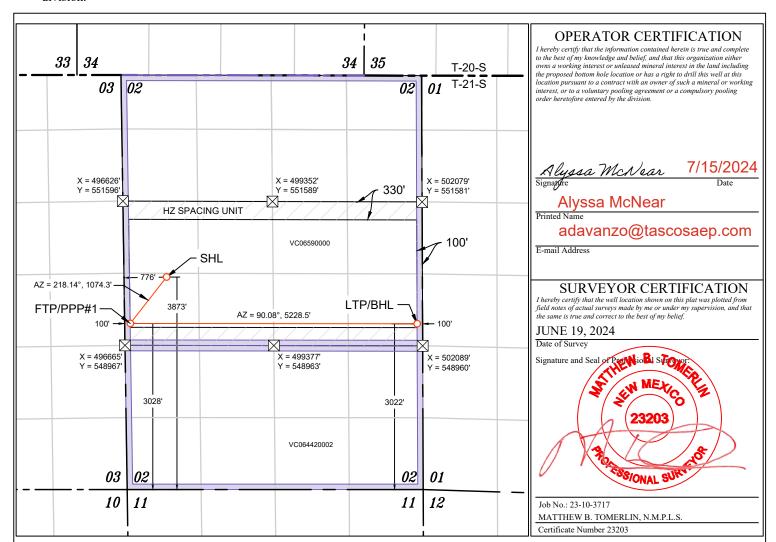
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-PENDING				Pool Code 96381		Avalon; Bone Spring					
Property Code pending			Property Name SHAKE 'N BAKE 2 STATE		Well Nur #204						
OGRID No	0.		Operator Name						Elevation		
32974	329748			TASCOSA ENERGY PARTNERS, LLC						7'	
	Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet from the	East/West line	County	

LOT 13 21 S 24 E 3873 SOUTH 776 WEST **EDDY** 02 Bottom Hole Location If Different From Surface East/West line County UL or lot no 21 S 24 E 3022 SOUTH **EAST EDDY LOT 16** 02 100 Dedicated Acres Joint or Infill Order No solidation Code 320.00

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



NAD 83 (SHL) 3873' FSL & 776' FWL NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.512399° LONGITUDE = -104.475279 STATE PLANE NAD 83 (N.M. EAST) STATE PLANE NAD 27 (N.M. EAST)

NAD 83 (FTP/PPP#1) 3028' FSL & 100' FWL LATITUDE = 32.510187° LONGITUDE = -103.477946° NAD 27 (FTP/PPP#1) LATITUDE = 32.510074° LONGITUDE = -103.4774 STATE PLANE NAD 83 (N.M. EAST) N: 549366 96' E: 496759 15' STATE PLANE NAD 27 (N.M. EAST)

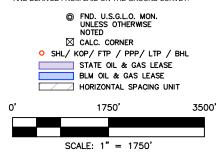
NAD 83 (LTP/BHL) 3022 LATITUDE = 32.5101869 LONGITUDE = -104.460 -104.460985° NAD 27 (LTP/BHL) LATITUDE = 32.510073° LONGITUDE = 104.460467° STATE PLANE NAD 83 (N.M. EAST) N: 549359.92' E: 501987.65' STATE PLANE NAD 27 (N.M. EAST) N: 549300.33' E: 460808.88'

NOTES

ALL COORDINATES, BEARINGS, AND DISTANCES
CONTAINED HEREIN ARE GRID, BASED UPON THE NEW
MEXICO STATE PLANE COORDINATES SYSTEM, NORTH
AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.

2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING JUNE, 2024. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.

3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



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Form APD Conditions

Permit 370182

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:		
Tascosa Energy Partners, L.L.C [329748]	30-015-55251		
901 W. Missouri Ave	Well:		
Midland, TX 79701	Shake 'n Bake 2 State #204H		

OCD Reviewer	Condition
ward.rikala	Notify OCD 24 hours prior to casing & cement
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104
ward.rikala	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing
ward.rikala	If cement does not circulate on any string, a CBL is required for that string of casing
ward.rikala	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
ward.rikala	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

Tascosa Energy Partners, LLC Shake 'n Bake DSU Hydrogen Sulfide Contingency Plan For Drilling/Workover/Facility

SEC 2, T21S, R24E, Eddy County, New Mexico

Shake 'n Bake wells and their anticipated facility are <u>not</u> expected to have Hydrogen Sulfide releases. However, there may be Hydrogen Sulfide production in the nearby area. There are no occupied dwellings within a mile of the area but a contingency plan has been orchestrated. Tascosa Energy Partners, LLC will have a Company Representative living on location throughout the drilling and completion of this well. If Hydrogen Sulfide is detected or suspected, monitoring equipment will be available for monitoring and/or testing. An un-manned H2S safety trailer and monitoring equipment will also be station on location during the drilling operation below the Surface Casing depth of ± 500 ft. to total drilling depth of ± 13,000 ft.

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

	OFFICE	MOBILE	HOME
Tascosa Energy ,LLC.	432 695-6970		
Alyssa McNear		720 244 4417	
Jeff Birkelbach	432 695-6970	432 553 0391	
Brian Kirkland		432 770-2325	
Kevin Herrmann	432 695-6970	432 254-9106	
EMERGENCY RESPONSE N	UMBERS:		
State Police: State Police:	Eddy County Lea County		575 748 9718 575 392 5588
Sheriff Sheriff	Eddy County Lea County		575 746 2701
Emergency Medical Ser (Ambulance)	Eddy County Lea County	Eunice	911 or 575 746 2701 911 or 575 394 3258
Emergency Response	Eddy County SERC		575 476 9620
Artesia Police Dept Artesia Fire Dept			575 746 5001 575 746 5001
Carlsbad Police Dept Carlsbad Fire Dept			575 885 2111 575 885 3125
Loco Hills Police Dept			575 677 2349
Jal Police Dept Jal Fire Dept			575 395 2501 575 395 2221
Jal ambulance			575 395 2221
Eunice Police Dept Eunice Fire Dept			575 394 0112 575 394 3258

Eunice Ambulance		575 394 3258
Hobbs Police Dept		
NMOCD	District 1 (Lea, Roosevelt, Curry) District 2 (Eddy Chavez)	575 393 6161 575 748 1283
BLM Carlsbad BLM Hobbs		575 234 5972 575 393 3612
Lea County Information		575 393 8203
Midland Safety	Lea/Eddy County	432 520 3838 888 262 4964
American Safety	Lea/Eddy County	575 746 1096 575 393 3093
Halliburton	Artesia Hobbs Midland	800 844 8451 800 844 8451 800 844 8451
Wild Well Control	Midland	281 784 4700 281 443 4873

HYDROGEN SULFIDE TRAINING

H2S SAFETY EQUIPMENT AND SYSTEMS

GENERAL EMERGENCY PLAN	page 7
EMERGENCY PROCEDURE FOR UNCONTROLLED RELEASES OF H2S	page 7
CALCULATIONS OF THE GENERAL RADIUS OF EXPOSURE (ROE)	page 8
PUBLIC EVACUATION PLAN	page 8
PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:	
PROCEDURE FOR IGNITION	page 9
REQUIRED EMERGENCY EQUIPMENT	page 8
USING SELF CONTAINED BREATHING AIR EQUIPMENT (SCBA)	page 9
RESCUE & FIRST AID FOR VICTIMS OF HYDROGEN SULFIDE (H2S) POISONING	page 10
H2S TOXIC EFFECTS	page 11
H2S PHYSICAL EFFECTS	page 11
LOCATION MAP	page 12-13

1. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well

- 1. The hazards and characteristics of hydrogen sulfide (H2S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
- 4. The proper techniques for first aid and rescue procedures

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in the special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of H2S Drilling Operations Plan and the Public Protection plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

2. <u>H2S Safety Equipment and Systems</u>

Note: All H2S safety equipment and systems will be installed, tested and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S. If H2S greater than 100 ppm is encountered in the gas stream we will shut-in and install H2S equipment.

- 1. Well Control Equipment:
 - a. Flare Line
 - b. Choke manifold with remotely operated choke
 - c. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

- d. Auxiliary equipment to include; annular preventer, mud gas separator, rotating head.
- 2. Protective equipment for essential personnel:
 - a. Mark II Survive air 30 minute units located in the dog house and at the briefing areas.
- 3. H2S detection and monitoring equipment:
 - a. 2-portable H2S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.
- 4. Visual warning systems:
 - a. Caution/Danger signs shall be posted on roads providing direct access to the location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate.
- 5. Mud Program:
 - a. The mud program has been designed to minimize the volume of H2S circulated to the surface.
- 6. Metallurgy:
 - a. All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- 7. Communications:
 - a. Company vehicles equipped with cellular telephone.

Tascosa Energy Partners, LLC has conducted a review to determine if an H2S contingency plan is required for the subject well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore, we do not believe that an H2S contingency plan is necessary

General H2S Emergency Actions:

- 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 the emergency response agencies and nearby residents.

EMERGENCY PROCEDURES FOR AN UNCONTROLLABLE RELEASE OF H2S

- 1. All personnel will wear the self-contained breathing apparatus.
- 2. Remove all personnel to the "safe area". (always use the buddy system).
- 3. Contact company personnel if not on location.
- 4. Set in motion the steps to protect and or remove the general public to an upwind "safe area". Maintain strict security & safety procedures while dealing with the source.
- 5. No entry to any unauthorized personnel.
- Notify the appropriate agencies: City Police-City Street (s)
 State Police- State Rd
 County Sheriff County Rd.
- 7. Call the BLM &/or NMOCD

PROTECTION OF THE GENERAL PUBLIC (Radius of Exposure):

- 100 ppm at any public area (any place not associated with this site)
- 500 ppm at any public road (any road which the general public may travel)
- 100 ppm radius of ¼ mile in New Mexico will be assumed if there is insufficient data to
 do the calculations, and there is a reasonable expectation that H2S could be present in
 concentrations greater than 100 ppm in the gas mixture

CALCULATIONS FOR THE 100 PPM (ROE) "Pasquill-Gifford equation"

X = [(1.589) (mole fraction) (Q- volume in std cu ft)] to the power of (0.6258)

CALCULATION FOR THE 500 PPM ROE:

X = [(.4546) (mole fraction) (Q - volume in std cu ft)] to the power of (0.6258)

Example:

If a well/facility has been determined to have 150 / 500 ppm H2S in the gas mixture and the well/facility is producing at a gas rate of 100 MCFPD then:

```
150 ppm X= [(1.589) (.00015) (100,000 \text{ cfd})] to the power of (.6258) X= 7 ft
```

500 ppm
$$X=[(.4546) (.0005) (100,000 cfd)]$$
 to the power of (.6258) $X=3.3$ ft.

(These calculations will be forwarded to the appropriate District NMOCD office when Applicable)

PUBLIC EVACUATION PLAN:

- 1. Notification of the emergency response agencies of the hazardous condition and implement evacuation procedures.
- A trained person in H2S safety, shall monitor with detection equipment the H2S concentration, wind and area exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. (All monitoring equipment shall be UL approved, for use in class 1 groups A,B,C & D, Division 1, hazardous locations. All monitor will have a minimum capability of measuring H2S, oxygen, and flammable values).
- Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.
- The company supervising personnel shall stay in communication with all agencies throughout the duration of the situation and inform such agencies when the situation has been contained and the affected area(s) is safe to enter.

PROCEDURE FOR IGNITING AN UNCONTROLABLE CONDITION:

- 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.

INSTRUCTION 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. Nonflammable rope will be attached.

- 2. One of the people will be qualified safety person who will test the atmosphere for H2S, 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 25 mm flare gun shall be used, with a ± 500 ft. 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.
- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 100' from wellhead to be ignited by flare gun or automatic striker.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escape packs —4 packs shall be stored on the rig floor th sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher
- H2S detection and monitoring equipment:

Tascosa Energy Partners, LLC

Shake 'n Bake DSU Hydrogen Sulfide Contingency Plan For Drilling/ Workover/Facility SEC 2, T21S, R24E, Eddy County, New Mexico

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged. (Gas sample tubes will be stored in the safety trailer)

■ Visual warning systems.

- a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
- b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
- c. Two wind socks will be placed in strategic locations, visible from all angles.

■ Mud program: Only utilized if H2S has been detected

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

■ Metallurgy: Only utilized if H2S has been detected

- a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- b. All elastomers used for packing and seals shall be H2S trim.

■ Communication: Only utilized if H2S has been detected

Communication will be via two way radio in emergency and company vehicles. Cell phones and land lines where available.

USING SELF CONTAINED BREATHING AIR EQUIPMENT (SCBA):

- (SCBA) SHOULD BE WORN WHEN ANY OF THE FOLLOWING ARE PERFORMED: Only utilized if H2S has been detected
 - Working near the top or on top of a tank
 - > Disconnecting any line where H2S can reasonably be expected
 - Sampling air in the area to determine if toxic concentrations of H2S exist.
 - Working in areas where over 10 ppm on H2S has been detected.
 - At any time there is a doubt as the level of H2S in the area.
- All personnel shall be trained in the use of SCBA prior to working in a potentially hazardous location.
- Facial hair and standard eyeglasses are not allowed with SCBA.
- Contact lenses are never allowed with SCBA.

- Air quality shall be continuously be checked during the entire operation.
- After each use, the SCBA unit shall be cleaned, disinfected, serviced and inspected
- All SCBA shall be inspected monthly.

RESCUE AND FIRST AID FOR VICTIMS OF HYDROGEN SULFIDE (H2S) POISONING:

- Do not panic
- Remain Calm & think
- Get on the breathing apparatus
- Remove the victim to the safe breathing area as quickly as possible. Up wind an uphill from source or cross wind to achieve upwind.
- Notify emergency response personnel.
- Provide artificial respiration and or CPR, as necessary
- Remove all contaminated clothing to avoid further exposure.
- A minimum of two personnel on location shall be trained in CPR and First Aid.

Hydrogen Sulfide (H2S) Toxic Effects

H2S is extremely toxic. The acceptable ceiling for eight hours of exposure is 10 ppm, which is .001% by volume. H2S is approximately 20% heavier than air (Sp. Gr= 1.19)(Air = 1) and H2S is colorless. It forms an explosive mixture with air between 4.3% and 46%. By volume hydrogen sulfide is almost as toxic as hydrogen cyanide and 5-6 times more toxic than carbon monoxide.

Var	ious	Gas	es

COMMON NAME	CHEMICAL ABBREV.	SPECIFIC GRVTY.	THRESHOLD LIMITS	HAZARDOUS LIMITS	LETHAL CONCENTRATIONS
	Г		Т	T	
Hydrogen Sulfide	H2S	1.19	10ppm 15 ppm	100 ppm/hr	600 ppm
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Sulfur Dioxide	SO2	2.21	2 ppm	N/A	1000 ppm
Chlorine	CL2	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	СО	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	CO2	1.52	5000 ppm	5%	10%
Methane	CH4	0.55	90,000	Combustible@ 5%	N/A

Threshold Limit: Concentrations at which it is believed that all workers may be repeatedly exposed, day after day without adverse effects.

Hazardous Limit: Concentrations that may cause death.

Lethal Concentrations: Concentrations that will cause death with short term exposure.

Threshold Limit- 10 ppm: NIOSH guide to chemical hazards.

PHYSICAL EFFECTS OF HYDROGEN SULFIDE:

CONCENTRATION	PHYSICAL EFFECTS
.001% 10 PPM	Obvious and unpleasant odor. Safe for 8 hour exposure
.005% 50 ppm	Can cause some flu like symptoms and can cause pneumonia
.01% 100 ppm	Kills the sense of smell in 3-15 minutes. May irritate the eyes
	and throat.
.02% 200 ppm	Kills the sense of smell rapidly. Severly irritates the eyes and
	throat. Severe flu like symptoms after 4 or more hours. May
	cause lung damage and or death.
.06% 600 ppm	Loss of consciousness quickly, death will result if not rescued
	promptly.



Shake 'n Bake 2 State DSU - Natural Gas Management Plan

VI. Separation Equipment:

Tascosa has sized a FWKO and a high pressure, 3-phase separator to allow for complete separation at our anticipated rates, with adequate retention times. Tank vapors will also be captured through two vapor recovery units and sent to the Enterprise sales line through a compressor at the Shake 'n Bake Facility.

VII. Operational Practices:

- a. Drilling Operations Tascosa will ensure that a flare stack is set at least 100' from the wellbore during drilling operations. This flare stack will be properly sized to handle the maximum expected release, ensuring that all natural gas produced during drilling operations can be flared (unless there is an equipment malfunction or if venting is necessary for safety reasons).
- b. Completion Operations Prior to flowback, Tascosa will ensure that the well is connected to a gathering system that can handle the expected gas volumes. During flowback, natural gas will be separated and flared until it is within the specs of the contracted gathering system (Enterprise).
- c. Production Operations Tascosa will conduct weekly AVO inspections and tackle equipment failures with haste. The emergency flare on location will be equipped with an auto-ignition, capable of handling the maximum expected release. Sight glasses and automation will be installed on all tanks to eliminate gas releases due to gauging through thief hatches. A VRU will also be installed to capture tank vapors and reduce waste.
- d. Performance Standards -
 - Tascosa will design completion and production equipment for maximum expected output and pressure to eliminate venting.
 - b. A properly sized flare stack will be placed at the facility with an automatic ignitor.
 - c. AVO inspections will be conducted at least once a week to prevent releases due to equipment failure. These inspections will be recorded for future review.
 - d. Tascosa is obligated to eliminate waste and will repair equipment failures as soon as possible.
- e. Measurement and Estimation A meter will be placed on the combustor and the flare stack to ensure combusted gas readings are accurate during a release event. If for any reason a meter reading is unavailable, released volumes will be estimated and reported.

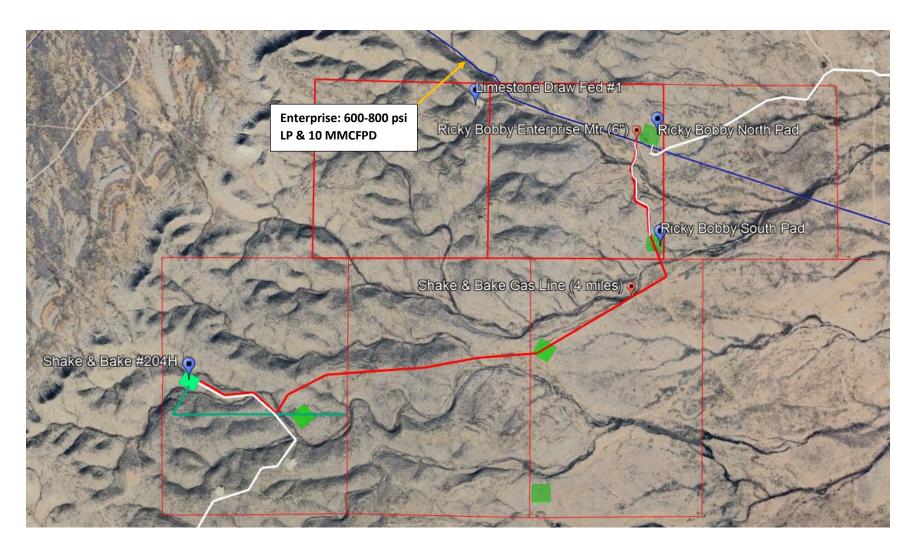


VIII. Best Management Practices:

Tascosa will aim to conduct surface maintenance without venting or flaring as much as possible. If planned maintenance is prolonged due to wait times for labor and equipment, Tascosa will shut in the producing well to prevent excess emissions. Tascosa will also minimized venting during downhole operations.

XI. Map:







XIII. Line Pressure:

Tascosa does not have any existing wells connected to the Enterprise pipeline shown in the map above. However, Tascosa is planning for increases in line pressure as the compressor Station experiences higher volumes from other operators. Tascosa will rent a sales compressor to prevent downtime or flaring when line pressure does increase. This compressor will be rated for discharge pressure of up to 1000 psi, which is the maximum operating line pressure of the Enterprise gas gathering line.

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator:Tascos	a Energy Part	tners, LLC.	OGRID:	329748_	Date:	7/17/2024	
II. Type: ☒ Original ☐	l Amendment	due to □ 19.15.27.9	.D(6)(a) NMA	C □ 19.15.27.9.D((6)(b) NMA	C □ Other.	
If Other, please describe	:						
III. Well(s): Provide the be recompleted from a si					wells propos	ed to be dri	lled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipat Gas MCF		Anticipated roduced Water BBL/D
Shake 'n Bake 2 State		Lot 13 2-21S-24E	3873' FSL,	900	2500		1100
#204H			776' FWL				
V. Anticipated Schedu or proposed to be recom	le: Provide th	e following informat	tion for each ne	entral delivery point	well or set o	f wells prop	(D)(1) NMAC] osed to be drilled First Production
			Date	Commencement	Date B	ack Date	Date
Shake 'n Bake 2 State		9/1/2024	9/21/2024	10/15/2024	1	0/20/2024	11/01/2024
#204H							
VI. Separation Equipm VII. Operational Pract Subsection A through F VIII. Best Managemen during active and planne	ices: \(\text{Attac}\) Attacof 19.15.27.8	ch a complete descri NMAC. X Attach a complete	ption of the ac	ctions Operator wil	ll take to con	mply with th	he requirements of

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022,	, an operator that is	not in compliance	with its st	atewide natura	l gas captur	e requirement t	or the	applicable
reporting area must comp	lete this section.							

□ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF
Shake 'n Bake 2 State		2500	912,500
#204H			

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering	Available Maximum Daily Capacity
			Start Date	of System Segment Tie-in
Enterprise	Mentone	36-20S-25E	11/01/2024	10 MMCFPD

- **XI. Map.** \boxtimes Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.
- XII. Line Capacity. The natural gas gathering system \boxtimes will \square will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.
- XIII. Line Pressure. Operator \boxtimes does \square does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).
- Attach Operator's plan to manage production in response to the increased line pressure.
- **XIV. Confidentiality:**

 Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

△ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

□ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☑ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. □ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- **(b)** power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Alyssa McNear
Printed Name: Alyssa McNear
Title: Engineering Manager
E-mail Address: adavanzo@tascosaep.com
Date: 7/16/2024
Phone: 720-244-4417
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Shake 'n Bake 2 #204H Well name:

Tascosa Energy Partners, LLC Operator:

String type: Surface Casing (500)

3873 FSL & 776 FWL, Sec 2, T21S, R24E, Eddy County, NM Location: BHL Planned: 3022 FSL & 100 FEL, Sec 2, T21S, R24E, Eddy County, NM

Design parameters:			Minimum	design factor	rs:	Environm	ent:		
<u>Collapse</u>				Collapse:		H2S consid	ered?	No	
Mud weight:		8.70	ppg	DF	1.125	Surface tem	iperature:	75.00) °F
Design is based on evacuated pi	oe.					BHTemp		79	9 °F
						Temp gradi	ent:	0.80	°F/100ft
						Minimum se	ec length:	400) ft
				Burst:		Minimum D	rift:	12.25	5 in
				DF	1.10	Cement top	:	Surface	
<u>Burst</u>									
Max anticipated surface									
pressure	=	202.00	psi						
Internal gradient:	=	0.12	psi/ft	Tension:		Non-direction	onal string.		
Calculated BHP	=	250.00	psi	8 Rd STC:	1.80	(J)			
				8 Rd LTC:	1.80	(J)			
No backup mud specified.				Buttress:	1.60	(J)			
				Premium:	1.50	(J)			
				Body yield:	1.50	(B)	Re subseq	uent strings:	
						Next setting	depth:	2,400	ft
			Tension is I	pased on buoye	d wgt.	Next mud w	eight:	8.70	ppg
			Neutral pt:	349.00 ft		Next setting	BHP:	1,086.00	psi
Maximum Lift using 14.8 ppg cmt to	o surfa	ce with 8.7	ppg mud fille	d csg=		Fracture mu	ıd wt:	11.00	ppg
17,827 lbs lift. String wgt = 19,200	lbs in a	air. Chain d	down casing p	rior to cmt job		Safety Factor	or Injection	1.00	ppg
for Safety.						Fracture de	•	400.00	ft
						Injection pre	essure	250.00	psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Pipe ID (in)	Internal Capacity (bbls)
1	500	13.375	48.00	H-40	ST&C	500	500	12.59	12.715	78.5
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension	
Seq	Load	Strength	Design	Load	Strength	Design	Load	Strength	Design	
	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	Factor	
1	273	740	2.71	202	1730	8.56	38.4	322	8.39	
							19.2	541 body		
	Prepared				Phone: (432	9) 695 6970	Date:	03/28/24		
	by:	Richard Wrig	ght		FAX: (432) 6	695 6973		Midland, Tex	as	

Remarks:

Collapse is based on a vertical depth of 500 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes.

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Tension based on string weight in air + 100% over pull.

Burst strength is not adjusted for tension.

0.546

Well name: Shake 'n Bake 2 #204H

Operator: Tascosa Energy Partners, LLC
String type: Intermediate Casing (2,500)

Location: 3873 FSL & 776 FWL, Sec 2, T21S, R24E, Eddy County, NM BHL Planned: 3022 FSL & 100 FEL, Sec 2, T21S, R24E, Eddy County, NM

Design parameters: Collapse		Minimum	design fact	ors:	Environment: H2S considered?	No	
Mud weight:	8.70	ppg	DF	1.125	Surface temperature:	75.00	°F
Design is based on evacuated pipe.					BH Temp	99	°F
					Temp Gradient	0.80	°F/100ft
					Minimum Sec Length	2400	ft
			Burst:		Minimum Drift:	8.75	in
			DF	1.15	Cement top:	Surface	
<u>Burst</u>					·		
Max anticipated surface							
pressure:	1,522.00	psi					
Internal gradient:	0.12	psi/ft	Tension:		Non-directional string.		
Calculated BHP	1,810.00	psi	8 Rd STC:	1.80	(J)		
			8 Rd LTC:	1.80	(J)		
No backup mud specified.			Buttress:	1.60	(J)		
			Premium:	1.50	(J)		
			Body yield:	1.50	(B) Re subsequ	uent strings	:
					Next setting depth:	12,282	ft MD
		Tension is I	based on buoy	ed wgt.	Next setting depth:	7,234	ft TVD
		Neutral pt:	± 2,111	ft	Next mud weight:	8.7	ppg
					Next setting BHP:	3,272	psi
					Fracture mud wt:	13.5	ppg
					Safety Factor-Injection	1	ppg
					Fracture depth:	2,400	
					Injection pressure	1,810	psi
Pun Sagment	Nominal		End	True Vert	Mossurod Drift	ID	Intorna

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	ID Diameter (in)	Internal Capacity (bbls)
1	2500	9.625	36	J-55	LT&C	2500	2500	8.796	8.921	193.25
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)J	Tension Design Factor	
1	1365	2020	1.48	1522	3520	2.31	172.8 86.4	564 639 jt	3.26	
	Prepared by:	Richard Wri	ght		Phone: (432) (•	Date:	03/28/24 Midland, Tex	xas	

Remarks:

Collapse is based on a vertical depth of 2,400 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Tension based on string weight in air + 100% over pull.

Burst strength is not adjusted for tension.

Well name: Shake 'n Bake 2 #204H

Operator: Tascosa Energy Partners, LLC

String type: Production Casing (± 12,075 ft MD) "FRAC"

Location: 3873 FSL & 776 FWL, Sec 2, T21S, R24E, Eddy County, NM BHL Planned 3022 FSL & 100 FEL, Sec 2, T21S, R24E, Eddy County, NM

Design parameters:			Minimum design factors:			Environment:	
<u>Collapse</u>				Collapse) :	H2S considered?	No
Mud weight:			8.70 ppg	D	F 1.125	Surface temperature:	75.00 °F
Design is based on evacuated pi	pe.					Bottom hole temp:	141 °F
						Temperature gradient:	0.80 °F/100ft
						Minimum section lgth:	1,500 ft
				<u>Burs</u>	<u>t:</u>	Minimum Drift:	4.65 in
					F 1.12	Cement top:	Surface ft
<u>Burst</u>							
Max anticipated surface							
pressure FRAC @ RATE:	10,000.00) psi					
Internal gradient:	0.434	psi/ft	Tension:			Directional Info - Build & H	Hold
Calculated BHP	2,568	psi	8 Rd STC:	1.80	(J)	KOP #1 ±	1,000 ft
backup mud specified.	0.452	psi/ft	8 Rd LTC:	1.80	(J)	KOP #2 ±	5,053 ft
Net Injection Pressure Surface	10,000.00) psi	Buttress:	1.60	(J)	Departure at shoe:	4,699 ft
Net Injection Pressure TVD	5,052.00) psi	Premium:	1.50	(J)	Maximum dogleg:	10 °/100ft
Annular surface PSI	0	psi	Body yield:	1.50	(B)	Inclination at shoe:	85.67 °
Frac Gradient	12.50	ppg					
Frac Gradient	0.65	psi/ft	Tension is ba	sed on bu	uoyed weigh	nt. (.867 factor)	
			Neutral pt:	£ 6,317 ft	assumes no	friction	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (Ibs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	ID Diameter (in)	Internal Capacity (bbls)
1	10,553	5.5	20	P110 RY	CDC-LSS	5,917	10,553	4.653	4.778	234.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor	
1	3,231	11,100	3.44	10,000	12,640	1.26	400 245.5	641 654 jt	1.60	Body
	Prepare b	^{ed} y: Richard Wri	ght		Phone: (432)	,		07/17/24 Midland, Te	xas	

Remarks

Collapse is based on a vertical depth of 5,917 ft, a mud weight of 10.5 ppg. The casing is considered to be evacuated for collapse purposes.

 $\label{lem:collapse} \textbf{Collapse strength is based on the Westcott, Dunlop~\&~Kemler~method~of~biaxial~correction~for~tension.}$

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a tensile load which is added to the axial load

Tension/Joint Strength is Calculated by using string weight in air plus 155 K overpull.

Ricky Bobby 36 State # $303\mathrm{H}$

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LONG'S METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION								DISTANCE TABLE					
		MD OF I	NTERPOL	ATION DEPTH,	STATION A	STATION B							
	#N/A	TVD CO	ORDINATE	OF THE DEPT	H (feet)	!							
ı	#N/A	N/S COO	RDINATE	OF DEPTH (fee	et)								
ŀ	#N/A		E/W COORDINATE OF DEPTH (feet)										
L		ft											
	3 D DISTANCE BETWEEN STATION A AND STATION B 0.00												
TABL	TABLE OF SURVEY STATIONS Calculator =												
STA	ΔMD	INCL	AZIM	MD	TVD	N+/S-	E+/W-	DLS					
#	ft	deg	deg	ft	ft	ft	ft	deg/100FT					
1	TIE POINT =>	0	0	1000.00	1000.00	-325.00	0.00	-					
2	100	3	210	1100.00	1099.95	-327.27	-1.31	3.00					
3	100	6	210	1200.00	1199.63	-334.06	-5.23	3.00					
4	100	12	210	1300.00	1298.36	-347.60	-13.05	6.00					
5	100	12	210	1400.00	1396.17	-365.61	-23.44	0.00					
6	100	12	210	1500.00	1493.99	-383.61	-33.84	0.00					
7	100	12	210	1600.00	1591.80	-401.62	-44.24	0.00					
8	100	12	210	1700.00	1689.62	-419.62	-54.63	0.00					
9	100	12	210	1800.00	1787.43	-437.63	-65.03	0.00					
10	100	12	210	1900.00	1885.25	-455.64	-75.42	0.00					
11	1500	12	210	3400.00	3352.47	-725.72	-231.36	0.00					
12	100	12	210	3500.00	3450.28	-743.73	-241.75	0.00					
13	100	12	210	3600.00	3548.10	-761.73	-252.15	0.00					
14	100	12	210	3700.00	3645.91	-779.74	-262.54	0.00					
15	100	12	210	3800.00	3743.73	-797.74	-272.94	0.00					
16	100	12	210	3900.00	3841.54	-815.75	-283.33	0.00					
17	100	6	210	4000.00	3940.27	-829.29	-291.15	6.00					
18	100	3	210	4100.00	4039.95	-836.09	-295.08	3.00					
19	100	0	0	4200.00	4139.90	-838.35	-296.38	3.00					
20	100	0	0	4300.00	4239.90	-838.35	-296.38	0.00					
21	752.84622	0	0	5052.85	4992.75	-838.35	-296.38	0.00					
22	100	10	90	5152.85	5092.24	-838.35	-287.68	10.00					
23	100	20	90	5252.85	5188.71	-838.35	-261.83	10.00					
24	100	30	90	5352.85	5279.23	-838.35	-219.62	10.00					
25	100	40	90	5452.85	5361.04	-838.35	-162.34	10.00					
26	100	50	90	5552.85	5431.66	-838.35	-91.72	10.00					
27	100	60	90	5652.85	5488.94	-838.35	-9.91	10.00					
28	100	70	90	5752.85	5531.15	-838.35	80.61	10.00					
29	100	80	90	5852.85	5557.00	-838.35	177.08	10.00					
30	100	85.6672	90	5952.85	5569.47	-838.35	276.26	5.67					
31	100	85.6672	90	6052.85	5577.03	-838.35	375.97	0.00					
32	4400	85.6672	90	10452.85	5909.44	-838.35	4763.40	0.00					
33	100	85.6672	90	10552.85	5917.00	-838.35	4863.11	0.00					
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