

CASE NO. 23426

**APPLICATION OF BTA OIL PRODUCERS, LLC TO RESCIND APPROVAL
OF FOUR APPLICATIONS FOR PERMIT TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO**

EXHIBIT LIST OF TEXAS STANDARD OPERATING, LLC (In Seven Parts)

1. Landman's Affidavit and Attachments A through D
2. Engineer's Affidavit with Attachments A-1 and A-2
 - 2(a). Attachments A-3 and A-4 to Exhibit 2
 - 2(b). Attachments B-1 and B-2 to Exhibit 2
 - 2(c). Attachments B-3 and B-4 to Exhibit 2
 - 2(d). Attachments C-1 through C-3 to Exhibit 2
 - 2(e). Attachments D-1 through D-3 and Attachment E to Exhibit 2

TESTIMONY OF CRAIG YOUNG

1. Please state your name and city of residence.

Craig Young. Fort Worth, Texas.

2. Who do you work for, and in what capacity?

I am the Vice-President of Operations Engineering for Texas Standard Operating NM, LLC ("Texas Standard").

3. Have you previously testified before the Division?

Yes, and I was qualified as an expert operations engineer. I have over 40 years of experience as an engineer, and have previously been the Permian Basin Division Drilling Manager for EOG Resources, Inc. and a Drilling Engineer for Marathon Oil Company.

4. Does your area of responsibility at Texas Standard include this area of Southeast New Mexico?

Yes.

5. Are you familiar with the drilling matters pertaining to BTA's application to rescind four of Texas Standard's APDs?

Yes.

6. What materials have you reviewed regarding the drilling of Texas Standard's wells and their potential effect on BTA's drilling plans in its Vindicator unit?

I have reviewed the following:

Attachments A-1 through A-4: The APDs for Texas Standard's 9-16 State Well Nos. 1H, 2H, 3H, and 4H.

Attachments B-1 through B-4: The APDs for BTA's Vindicator Well Nos. 317H, 318H, 300H, and 301H.

Attachments C-1 through C-3: The Standard Planning Report, the downhole planning information, and the Anticollision Report which Texas Standard had prepared regarding BTA's Vindicator 317H well.

EXHIBIT

2

Attachments D-1 through D-3: The Standard Planning Report, the downhole planning information, and the Anticollision Report which Texas Standard had prepared regarding BTA's Vindicator 318H well.

The Land Office's approval of BTA's plan of development for the Vindicator unit, marked as Exhibit 1-D.

7. Please state your general conclusion regarding BTA's application.

Texas Standard's well locations will not interfere with the drilling of BTA's wells, and should be denied.

8. Please explain in greater detail.

There are two types of interference. The first type is in surface operations. This involves tank battery locations, flowline locations, gas sales line locations, and road locations. Our locations are far enough from BTA's locations. One surface location is approximately 950' from BTA's wells and the other is 1,300' from the closest BTA location. There is plenty of room for each operator to work within their pads. It would work better with communication between operators. We have reached out several times in an effort to discuss these issues, but have not had any response.

Downhole interference can also be an issue. We do have the technology to avoid downhole collisions. The Anti-Collision reports in evidence shows that this can be done safely as planned. They will have to be updated with actual surveys from the wells drilled, but this is done all the time in the offshore drilling industry. Frac interference also needs to be considered. Since the laterals are opposing directions, the effects of a frac should be minimal since they will start completing 100' south of the section line and we will start completing 100' north of the section line. Actually there is an error on their C-102. They show the FTP as 100' FSL, which is impossible given the directional plan they submitted. Their FTP will be much closer to 340' to 530' FNL. They are starting to build the curve 100' FNL. The only downhole issue will be for the Texas Standard wells if they are drilled first. Texas Standard will have casing that is not perforated next to a BTA well that has perforations and will be fraced. Potentially this could cause the production casing in Texas Standard's well to collapse. To alleviate this, Texas Standard would set a plug just above the existing perforations and pressure up our production casing to prevent the collapse. The plug would then be removed after the frac job and the well returned to production.

9. Are there any other factors involved in your conclusion?

Yes. BTA's wells are typically completed in the lower Penn section. Our wells are planned for the Upper Penn section, which would put about 400' vertically between the laterals. BTA's lateral will be lower than in our wells, which will mitigate any interference.

10. I note that you had horizontal planning reports and anti-collision reports prepared on BTA's wells.

Yes, we want to be safe. We do not want to harm BTA's wells, not to mention ours. Current drilling technology allows us to do this.

And, with the number of wells being drilled in the Permian Basin, anti-collision reports are common.

11. Where are Texas Standard's wells' surface locations?

The wells have surface locations in the N/2NW/4 of Section 21, and the wells will be drilled northward into Sections 9 and 16. The first take points will be in the S/2SW/4 of Section 16 and last take points in the N/2SW/4 of Section 9.

12. Why did you put the surface locations in Section 21?

In my opinion, operations on Texas Standard's wells will be much easier with Section 21 locations, and will maximize the lateral lengths of our wells.

Also, there is faulting in the N/2 of Section 9, which means that Texas Standard cannot drill farther north into Section 9. Thus, our options are limited, and we need surface locations in the N/2NW/4 of Section 21.

13. What will happen if BTA's application is granted?

It would result in shorter laterals and lead to lower recovery, and adversely affect economics of the wells, which will harm the correlative rights of the interest owners. This is a great resource and to maximize the value, operators should work together to develop as much as possible to prevent waste. This would be the perfect place to show that the State will convince operators to work together over wasting resources.

14. Were there any factors which were taken into account on your choice of locations?

Yes. There are vertical wellbores in the N/2NW/4 of Section 21 which we took into account in selecting our locations.

15. What is Attachment E?

It is a plat I had prepared, which is very similar to Exhibit 1-C. It shows the Texas Standard wells and the proposed BTA 317H and 318H wells. It shows that the wells will not interfere with each other.

I note that these two BTA wells are not on their plan of development, which means our wells will be drilled and completed before they are drilled. Thus BTA will have precise knowledge of the locations of our wells.

16. Are BTA's wells in the W/2 of Section 21 being drilled north to south?

BTA's APD's on the 317H and 318H wells show they are north to south wells, but the 300H and 301H wells are **south to north**. The 300H and 301H wells are not an issue in my opinion. The original wells permitted were the 300H and the 301H. These were to be drilled from the south to the north. The wells were moved to the 317H and the 318H only after they attempted to get us to move our surface locations. When BTA drills from the south to the north, the surface interference is removed and the downhole collision issues are removed while drilling.

17. Were Attachments A through E prepared by you or under your supervision, or compiled from company business records?

Yes.

18. In your opinion is the denial of BTA's application in the interests of conservation, the prevention of waste, and the protection of correlative rights?

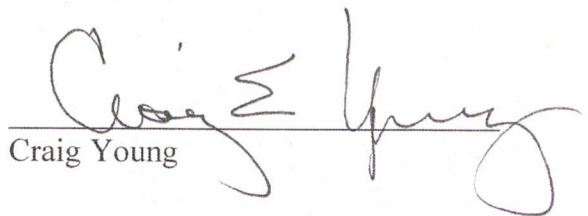
Yes.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 18 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

5/12/2023

Craig Young



State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505Form C-101
August 1, 2011

Permit 333722

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705		2. OGRID Number 329818
		3. API Number 30-025-51106
4. Property Code 333773	5. Property Name STATE 9 16	6. Well No. 001H

7. Surface Location

UL - Lot C	Section 21	Township 17S	Range 36E	Lot Idn C	Feet From 855	N/S Line N	Feet From 1995	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot K	Section 9	Township 17S	Range 36E	Lot Idn K	Feet From 2562	N/S Line S	Feet From 2310	E/W Line W	County Lea
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9. Pool Information

WC-025 G-09 S173615C;UPPER PENN	98333
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3872
16. Multiple N	17. Proposed Depth 20350	18. Formation Upper Pennsylvanian Undesignated	19. Contractor	20. Spud Date 5/1/2023
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

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	2100	1200	0
Int1	12.25	9.625	43.5	11400	2800	0
Prod	8.5	5.5	26	20350	3000	9100

Casing/Cement Program: Additional Comments

Casing grade for Intermediate 1 is HCP-110
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron
Annular	5000	2500	Shafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

Signature:		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Craig E Young		Approved By: Paul F Kautz	
Title: VP Operations		Title: Geologist	
Email Address: craig@txsoil.com		Approved Date: 2/16/2023	Expiration Date: 2/16/2025
Date: 2/6/2023	Phone: 432-693-6674	Conditions of Approval Attached	

ATTACHMENT

A.1

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 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

¹ API Number 30-025 51106		² Pool Code 98333	³ Pool Name WC-025 G-09 S173615C; UPPER PENN
⁴ Property Code 333773	⁵ Property Name STATE 9-16		⁶ Well Number 1H
⁷ OGRID NO. 329818	⁸ Operator Name TEXAS STANDARD OPERATING NM LLC		⁹ Elevation 3872'

¹⁰ Surface Location

UL or lot no. C	Section 21	Township 17S	Range 36E	Lot Idn	Feet from the 855	North/South line NORTH	Feet From the 1995	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 9	Township 17S	Range 36E	Lot Idn	Feet from the 2562	North/South line SOUTH	Feet from the 2310	East/West line WEST	County LEA
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¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION (SL) N: 665353.3 - E: 839801.8 LAT: 32.8253123° N LONG: 103.3617237° W</p> <p>FIRST TAKE POINT (FTP) 100' FSL-2310' FWL (SEC.16) N: 666312.7 - E: 840104.5 LAT: 32.8279411° N LONG: 103.3607096° W</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8</p> <p>B: FOUND STONE N: 663533.8 - E: 837830.5</p> <p>C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3</p> <p>D: FOUND 3" POST N: 671469.6 - E: 837736.9</p> <p>E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6</p> <p>F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6</p> <p>G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4</p> <p>H: FOUND NAIL N: 676847.9 - E: 842973.0</p> <p>I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1</p> <p>J: CALCULATED CORNER N: 666250.0 - E: 843085.8</p> <p>K: CALCULATED CORNER N: 660954.4 - E: 843153.6</p> <p>L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9</p> <p>M: FOUND 6" POST N: 671491.1 - E: 840380.2</p>		<p>¹⁷ 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.</p> <p><i>Timothy M. Roberson</i>, President January 30, 2023 Signature Date</p> <p><i>Timothy M. Roberson</i> Printed Name</p> <p>tim@txsoil.com E-mail Address</p> <p>¹⁸ 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.</p> <p>10/13/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>14400 Certificate Number</p> <p>DALE E. BELL NEW MEXICO 14400 11/03/2022 PROFESSIONAL SURVEYOR</p>
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Job No: LS22101143

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

Form APD Conditions

Permit 333722

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Texas Standard Operating NM LLC [329818] 3300 North A Street Midland, TX 79705	API Number: 30-025-51106
	Well: STATE 9 16 #001H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	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
pkautz	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
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCDC by sundry (Form C-103) within ten (10) days of the well being spud

State of New Mexico
Energy, Minerals and Natural Resources DepartmentSubmit Electronically
Via E-permittingOil 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 DescriptionEffective May 25, 2021**I. Operator:** Texas Standard Operating NM LLC **OGRID:** 329818 **Date:** 1 / 31 / 22**II. Type:** ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.☐ Other, please describe:**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
State 9-16 #1H		C-21-17S-36E	855' FNL, 1995' FWL	1200	1250	1000
State 9-16 #2H		C-21-17S-36E	855' FNL, 1980' FWL	1200	1250	1000
State 9-16 #3H		D-21-17S-36E	1295' FNL, 675' FWL	1200	1250	1000
State 9-16 #4H		D-21-17S-36E	1295' FNL, 660' FWL	1200	1250	1000

IV. Central Delivery Point Name: State 9-16 CDP [See 19.15.27.9(D)(1) NMAC]**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
State 9-16 #1H		<u>5/1/23</u>	<u>6/12/23</u>	<u>9/19/23</u>	<u>11/24/23</u>	<u>11/24/23</u>
State 9-16 #2H		<u>6/14/23</u>	<u>7/18/23</u>	<u>9/19/23</u>	<u>11/24/23</u>	<u>11/24/23</u>
State 9-16 #3H		<u>7/22/23</u>	<u>8/24/23</u>	<u>10/7/23</u>	<u>12/10/23</u>	<u>12/10/23</u>
State 9-16 #4H		<u>8/26/23</u>	<u>9/26/23</u>	<u>10/7/23</u>	<u>12/10/23</u>	<u>12/10/23</u>

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.**VII. Operational Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete 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

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ 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 ☐ will ☐ 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 ☐ does ☐ 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

Effective May 25, 2021

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

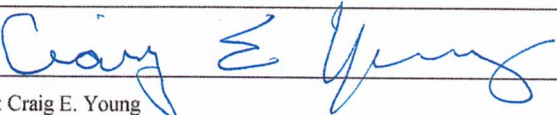
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: 
Printed Name: Craig E. Young
Title: Sr. VP Operations
E-mail Address: Craig@txsoil.com
Date: 2/1/23
Phone: 432-693-6674
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Texas Standard Operating NM LLC Natural Gas Management Plan

Section VI. Separation Equipment

These four wells will be drilled on 2, two well pads. Each pad will have a single battery and metering equipment for each well. It will be a new build facility.

- Separation equipment will be sized to provide adequate separation for anticipated rates.
- Separation equipment will allow for adequate retention time to allow gas and liquids to separate.
- Separation equipment will separate all three phases (Oil, Water, and Gas).
- Collection systems will be appropriately sized to handle facility production rates on all three phases.
- Ancillary equipment and metering is selected to be serviced without flow interruptions, or the need to release gas from the flow stream.

Section VII. Operational Practices as per 19.15.27.8 NMAC Subsections A through F

Subsection A: Texas Standard Operating NM LLC will maximize the recovery of natural gas and minimize the waste of natural gas by properly sizing and maintaining tanks, vessels, and related equipment including thief hatches, enardo valves, flares, and vapor recovery equipment. In all circumstances, Texas Standard shall flare rather than vent natural gas except when flaring is technically infeasible, or when flaring would result a risk to safe operations or personal safety.

Subsection B – Venting and flaring during drilling operations: Texas Standard will capture natural gas coming from the wellbore during drilling operations by routing any gas laden fluids through a mud gas separator with the gas then being routed to a flare stack located at least 100' from the wellbore. In addition, Texas Standard will be drilling the well with fluid sufficiently weighted to minimize the entry of natural gas into the wellbore. Any gas that is flared during the drilling operations will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

Subsection C – Venting and flaring during completion operations: After fracing, sand and the frac plugs will be cleaned out of the wellbore under controlled conditions (circulating 1 barrel in per 1 barrel out) that will reduce or eliminate the flow of gas to the atmosphere. After cleaning the well out, a packer with a rupture disk will be set by wireline. Tubing with gas lift valves will be installed. The rupture disk will then be burst and flowback will commence.

During the initial flowback after the frac job the fluids will go directly into storage tanks until there is sufficient pressure to function a separator at which point the fluids will go into a separator that will remove the gas from the fluid and send the metered gas to an on-site flare stack until it is feasible to route the gas to the inlet separator for this well at the battery.

As soon as it is practical, the produced fluids will be switched out of the flowback separator and into the flowline going directly to the inlet separator for this well and sale as soon as feasible.

Any gas flared during the completion operations will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

Once the well dies, or if the well will not flow, gas lift operations will begin utilizing gas from the Central Battery.

Subsection D – Venting and flaring during production operations: Texas Standard shall not vent or flare natural gas during production operations except as allowed in 19.15.27.8 1,2,& 4 NMAC. Any gas that is flared during production operations will be reported pursuant to Paragraph (1) of Subsection (G) of 19.15.28.8 NMAC.

- Weekly AVO's will be performed on all facilities.
- Leaking thief hatches and pressure safety valves found during AVO's will be cleaned and properly re-sealed.
- All flares will be equipped with auto-ignition systems and continuous pilot operations.
- After a well is stabilized from liquid unloading, the well will be turned back into a collection system.
- All gas lift systems will be optimized to limit the amount of waste.
- All tanks will have automatic gauging equipment installed.

Subsection E – Performance standards: The production facilities that will be utilized by this well have been designed to handle in excess of the anticipated maximum throughput and are rated for pressures greater than the anticipated pressures. In addition, the facilities have been designed to minimize waste of natural gas.

The production storage tanks will be equipped with automated tank gauging system that reduces the need to open thief hatches on the tanks.

Texas Standard will install an anchored flare stack 100' away from the wellbore and production tanks that has an automatic ignitor and a continuous pilot that will combust any natural gas routed to the flare stack and is capable of handling 3 MMCFGPD. Any gas routed through the flare stack will be metered and will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC. Natural gas will not be vented except as allowed in 19.15.27.8. 1, 2, & 4 NMAC.

Low bleed pilots in Pneumatic calves will be installed if necessary.

Texas Standard will utilize SCADA to monitor production and equipment as well as to shut in the wellbore in case of emergency or other situation that could result in gas being released to the atmosphere.

Should the sales line pressure reach the desired maximum operating pressure, the SCADA system will close the Emergency Shut Down Valve on the wellhead and send an alarm to production personnel. In the event the ESD valve failed to close, gas would be routed to the flare stack with a continuous pilot. Any flared gas would be metered.

Texas Standard shall conduct weekly AVO inspections consisting of visual inspections, listening for leaks and smelling for odors to confirm that all production equipment is operating properly and that there are no leaks or releases of natural gas except as allowed in Section D of 19.15.27.9 NMAC. The AVO inspection shall include the inspection of all components to identify defects and leaks. Any leaks that

are found shall be immediately repaired. Texas Standard shall keep record of an AVO inspection for at least 5 years and shall make such record available for inspection by the Division upon request.

Subsection F – Measurement or estimation of vented and flared natural gas: Texas Standard shall measure or estimate the volume of natural gas that it vents, flares or beneficially uses during drilling, completion, and production operations.

Texas Standard will install equipment to measure the volume of natural gas flared from the separation equipment described in Section VI above as well as the process piping and vapor recovery equipment. Metering equipment will also be installed to measure the volume of natural gas delivered to the custody transfer point.

If metering is not practical due to circumstances such as low flare rate or low pressure venting or flaring, Texas Standard shall estimate the volume of vented or flared natural gas using a verifiable methodology,

VIII. Best Management Practices to minimize venting during active and planned maintenance:

Texas Standard Will install an emergency shut down valve on the wellhead to close the well in the event of an abnormal low or high pressure occurrence on the flowline or within the facility.

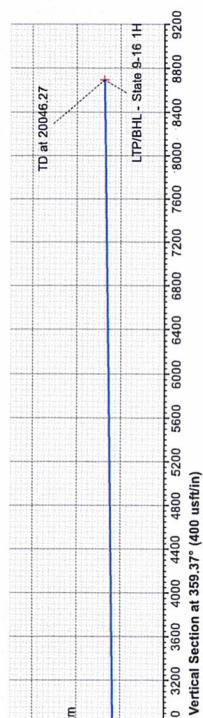
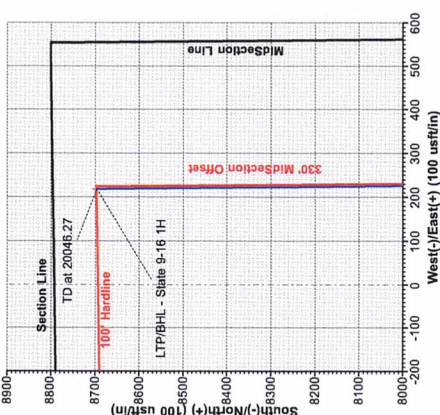
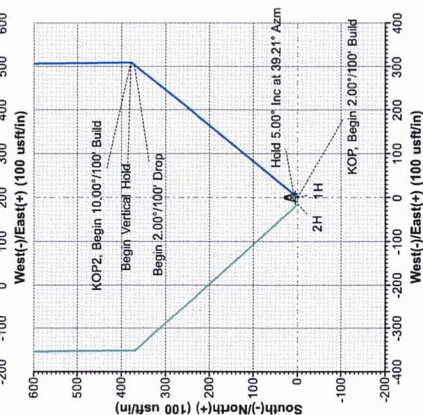
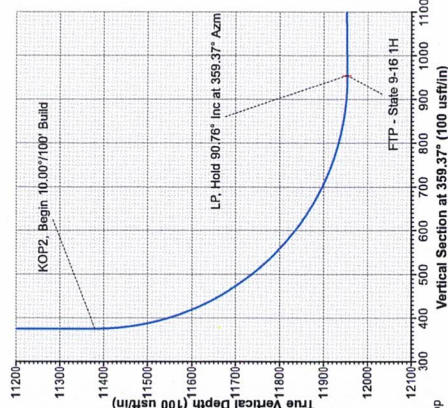
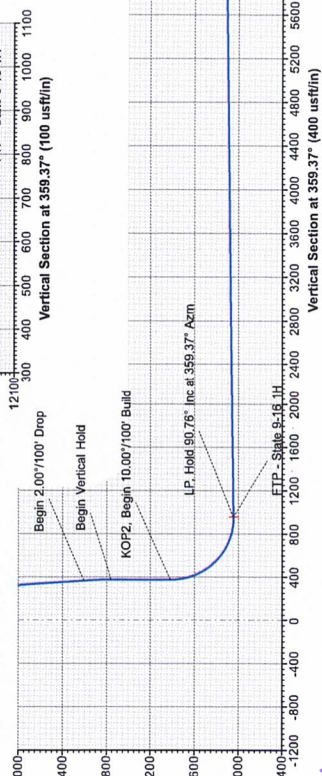
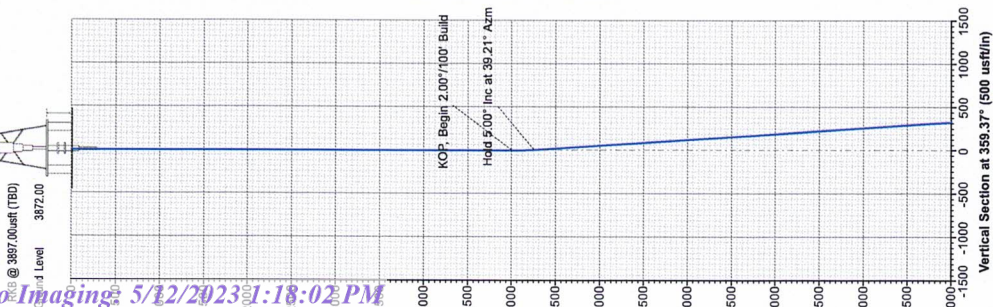
Swabbing operations, if necessary, will be performed through the separation equipment described in Section VI above in a closed system.

If the tubing is to be pulled, the well will be killed and pulled in an overbalanced condition to increase the safety of personnel and reduce gas emissions.

Should a production vessel need to be worked on, the vessel will be bled down into the system to as low a pressure as is practical and then the vessel will be isolated by valve at the vessel to minimize the volume of gas to be bled off the vessel with none from the associated piping.

After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.

Texas Standard shall verbally notify the division as soon as possible for any venting or flaring event that will exceed 500 MCF or otherwise qualifies as a major release and shall follow up the verbal notification with the filing of a Form C-129. On venting or flaring events that are less than 500 MCF, Texas Standard shall notify the division in writing by filing a Form C-129 within 15 days of the event.

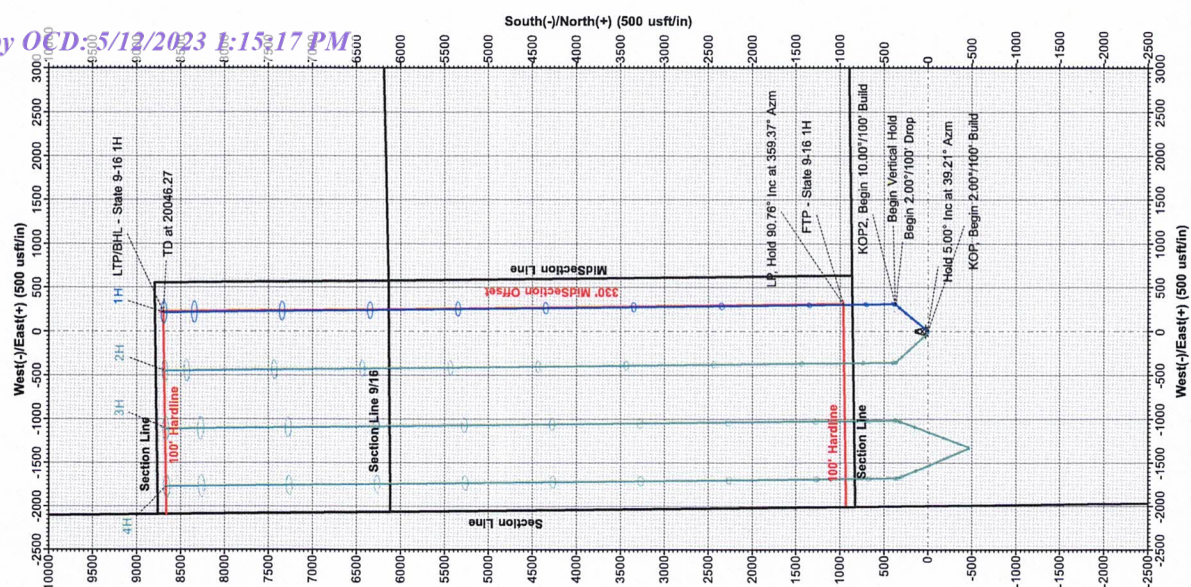


WELL DETAILS									
		Ground Level	Easting	Latitude	Longitude				
		859001.80	32° 49' 31.724007 N	103° 21' 42.205102 W					
SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N+S	+E+W	Dleg	TfAce	VSetd Target
1	52043.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	52043.2	0.00	0.00	509.61	8.44	6.89	2.00	39.208	8.37
3	52043.2	5.00	39.21	5249.61	8.44	6.89	2.00	39.208	8.37
4	10811.0	5.00	39.21	0590.39	370.40	302.15	0.00	0.000	367.06
5	10811.02	0.00	0.00	0084.00	378.84	309.94	2.00	98.000	375.42
6	11400.79	0.00	0.00	1379.76	378.84	309.74	0.00	0.000	375.42
7	12308.42	90.76	359.37	11952.67	959.40	302.70	0.00	369.374	956.01
8	20402.27	90.76	359.37	11949.59	6696.10	216.20	0.00	0.000	6693.16
FTP - Status 5-16 HH LPIBHL - Status 9-16 HH									
Annulation KOP: Begin Hod: 100% Begin 2.00/17.00 KOP2: Begin LP: Hold 30. TD at 20408.									

DESIGN TARGET DETAILS				
Name	TVD	*E/W	Latitude	Longitude
LIPBHL - State 9-16 1H	11849.59	8985.10	32° 59' 57.104047" N	103° 21' 38.710229" W
FTP - State 9-16 1H	11952.67	959.40	32° 49' 45.98462" N	103° 21' 38.554646" W

Map System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone Name: Name: Mexico Eastern Zone
Local Origin: Well 1H, Grid North
Latitude: 32° 49' 31.124007' N
Longitude: 103° 21' 42.205102' W
Grid East: 859801.80
Grid North: 2503.30
Scale Factor: 1.000
Geomagnetic Model: MVHD
Sample Date: 14-Feb-23
Magnetic Declination: 60.554°
Dip Angle from Horizontal: 60.554°
Magnetic Field Strength: 47598.2503168001T

To convert a Magnetic Direction to a Grid Direction, Add 5.710°
To convert a Magnetic Direction to a Directional Azimuth, Add 6.030° East
To convert a True Direction to a Grid Direction, Subtract 0.527°





Texas Standard Oil

Lea County, NM (NAD 83 - NME)

State 9-16

1H

OH

Plan: Plan 1 02-14-23

Standard Planning Report

14 February, 2023





Planning Report



Database:	USA Compass	Local Co-ordinate Reference:	Well 1H
Company:	Texas Standard Oil	TVD Reference:	RKB @ 3897.00usft (TBD)
Project:	Lea County, NM (NAD 83 - NME)	MD Reference:	RKB @ 3897.00usft (TBD)
Site:	State 9-16	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1 02-14-23		

Project	Lea County, NM (NAD 83 - NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site		State 9-16			
Site Position:		Northing:	665,353.30 usft	Latitude:	32° 49' 31.124007 N
From:	Map	Easting:	839,801.80 usft	Longitude:	103° 21' 42.205103 W
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.527

Well	1H					
Well Position	+N/-S	0.00 usft	Northing:	665,353.30 usft	Latitude:	32° 49' 31.124007 N
	+E/-W	0.00 usft	Easting:	839,801.80 usft	Longitude:	103° 21' 42.205103 W
Position Uncertainty	1.00 usft	Wellhead Elevation:		Ground Level:	3,872.00 usft	

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	MVHD	2/14/2023	6.237	60.554	47,598.25031660

Design	Plan 1 02-14-23			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	359.37

Plan Survey Tool Program	Date	2/14/2023		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	20,045.86 Plan 1 02-14-23 (OH)	MWD+HRGM	
			OWSG MWD + HRGM	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.000	
5,249.92	5.00	39.21	5,249.61	8.44	6.89	2.00	2.00	0.00	39.206	
10,611.10	5.00	39.21	10,590.39	370.40	302.15	0.00	0.00	0.00	0.000	
10,861.02	0.00	0.00	10,840.00	378.84	309.04	2.00	-2.00	0.00	180.000	
11,400.79	0.00	0.00	11,379.76	378.84	309.04	0.00	0.00	0.00	0.000	
12,308.42	90.76	359.37	11,952.67	959.40	302.70	10.00	10.00	0.00	359.374	FTP - State 9-16 1H
20,046.27	90.76	359.37	11,849.59	8,696.10	218.20	0.00	0.00	0.00	0.000	LTP/BHL - State 9-16



Planning Report



Database:	USA Compass	Local Co-ordinate Reference:	Well 1H
Company:	Texas Standard Oil	TVD Reference:	RKB @ 3897.00usft (TBD)
Project:	Lea County, NM (NAD 83 - NME)	MD Reference:	RKB @ 3897.00usft (TBD)
Site:	State 9-16	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1 02-14-23		

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
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP, Begin 2.00°/100' Build									
5,100.00	2.00	39.21	5,099.98	1.35	1.10	1.34	2.00	2.00	0.00
5,200.00	4.00	39.21	5,199.84	5.41	4.41	5.36	2.00	2.00	0.00
5,249.92	5.00	39.21	5,249.61	8.44	6.89	8.37	2.00	2.00	0.00
Hold 5.00° Inc at 39.21° Azm									
5,300.00	5.00	39.21	5,299.49	11.82	9.64	11.72	0.00	0.00	0.00
5,400.00	5.00	39.21	5,399.11	18.57	15.15	18.41	0.00	0.00	0.00
5,500.00	5.00	39.21	5,498.73	25.33	20.66	25.10	0.00	0.00	0.00
5,600.00	5.00	39.21	5,598.35	32.08	26.17	31.79	0.00	0.00	0.00
5,700.00	5.00	39.21	5,697.97	38.83	31.67	38.48	0.00	0.00	0.00
5,800.00	5.00	39.21	5,797.59	45.58	37.18	45.17	0.00	0.00	0.00
5,900.00	5.00	39.21	5,897.21	52.33	42.69	51.86	0.00	0.00	0.00
6,000.00	5.00	39.21	5,996.83	59.08	48.20	58.55	0.00	0.00	0.00
6,100.00	5.00	39.21	6,096.45	65.84	53.70	65.24	0.00	0.00	0.00
6,200.00	5.00	39.21	6,196.07	72.59	59.21	71.93	0.00	0.00	0.00
6,300.00	5.00	39.21	6,295.69	79.34	64.72	78.62	0.00	0.00	0.00
6,400.00	5.00	39.21	6,395.31	86.09	70.23	85.31	0.00	0.00	0.00
6,500.00	5.00	39.21	6,494.93	92.84	75.73	92.00	0.00	0.00	0.00
6,600.00	5.00	39.21	6,594.55	99.59	81.24	98.69	0.00	0.00	0.00
6,700.00	5.00	39.21	6,694.17	106.34	86.75	105.38	0.00	0.00	0.00
6,800.00	5.00	39.21	6,793.79	113.10	92.26	112.07	0.00	0.00	0.00
6,900.00	5.00	39.21	6,893.41	119.85	97.76	118.76	0.00	0.00	0.00
7,000.00	5.00	39.21	6,993.03	126.60	103.27	125.46	0.00	0.00	0.00
7,100.00	5.00	39.21	7,092.65	133.35	108.78	132.15	0.00	0.00	0.00
7,200.00	5.00	39.21	7,192.27	140.10	114.29	138.84	0.00	0.00	0.00
7,300.00	5.00	39.21	7,291.89	146.85	119.79	145.53	0.00	0.00	0.00
7,400.00	5.00	39.21	7,391.51	153.60	125.30	152.22	0.00	0.00	0.00
7,500.00	5.00	39.21	7,491.13	160.36	130.81	158.91	0.00	0.00	0.00
7,600.00	5.00	39.21	7,590.75	167.11	136.32	165.60	0.00	0.00	0.00
7,700.00	5.00	39.21	7,690.37	173.86	141.82	172.29	0.00	0.00	0.00
7,800.00	5.00	39.21	7,789.99	180.61	147.33	178.98	0.00	0.00	0.00
7,900.00	5.00	39.21	7,889.61	187.36	152.84	185.67	0.00	0.00	0.00
8,000.00	5.00	39.21	7,989.22	194.11	158.35	192.36	0.00	0.00	0.00
8,100.00	5.00	39.21	8,088.84	200.87	163.86	199.05	0.00	0.00	0.00
8,200.00	5.00	39.21	8,188.46	207.62	169.36	205.74	0.00	0.00	0.00
8,300.00	5.00	39.21	8,288.08	214.37	174.87	212.43	0.00	0.00	0.00
8,400.00	5.00	39.21	8,387.70	221.12	180.38	219.12	0.00	0.00	0.00
8,500.00	5.00	39.21	8,487.32	227.87	185.89	225.81	0.00	0.00	0.00
8,600.00	5.00	39.21	8,586.94	234.62	191.39	232.50	0.00	0.00	0.00
8,700.00	5.00	39.21	8,686.56	241.37	196.90	239.19	0.00	0.00	0.00
8,800.00	5.00	39.21	8,786.18	248.13	202.41	245.89	0.00	0.00	0.00
8,900.00	5.00	39.21	8,885.80	254.88	207.92	252.58	0.00	0.00	0.00
9,000.00	5.00	39.21	8,985.42	261.63	213.42	259.27	0.00	0.00	0.00
9,100.00	5.00	39.21	9,085.04	268.38	218.93	265.96	0.00	0.00	0.00
9,200.00	5.00	39.21	9,184.66	275.13	224.44	272.65	0.00	0.00	0.00
9,300.00	5.00	39.21	9,284.28	281.88	229.95	279.34	0.00	0.00	0.00
9,400.00	5.00	39.21	9,383.90	288.63	235.45	286.03	0.00	0.00	0.00
9,500.00	5.00	39.21	9,483.52	295.39	240.96	292.72	0.00	0.00	0.00
9,600.00	5.00	39.21	9,583.14	302.14	246.47	299.41	0.00	0.00	0.00
9,700.00	5.00	39.21	9,682.76	308.89	251.98	306.10	0.00	0.00	0.00
9,800.00	5.00	39.21	9,782.38	315.64	257.48	312.79	0.00	0.00	0.00



Planning Report



Database: USA Compass
Company: Texas Standard Oil
Project: Lea County, NM (NAD 83 - NME)
Site: State 9-16
Well: 1H
Wellbore: OH
Design: Plan 1 02-14-23

Local Co-ordinate Reference: Well 1H
TVD Reference: RKB @ 3897.00usft (TBD)
MD Reference: RKB @ 3897.00usft (TBD)
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)
9,900.00	5.00	39.21	9,882.00	322.39	262.99	319.48	0.00	0.00	0.00
10,000.00	5.00	39.21	9,981.62	329.14	268.50	326.17	0.00	0.00	0.00
10,100.00	5.00	39.21	10,081.24	335.90	274.01	332.86	0.00	0.00	0.00
10,200.00	5.00	39.21	10,180.86	342.65	279.51	339.55	0.00	0.00	0.00
10,300.00	5.00	39.21	10,280.48	349.40	285.02	346.24	0.00	0.00	0.00
10,400.00	5.00	39.21	10,380.10	356.15	290.53	352.93	0.00	0.00	0.00
10,500.00	5.00	39.21	10,479.72	362.90	296.04	359.62	0.00	0.00	0.00
10,600.00	5.00	39.21	10,579.34	369.65	301.54	366.31	0.00	0.00	0.00
10,611.10	5.00	39.21	10,590.39	370.40	302.15	367.06	0.00	0.00	0.00
Begin 2.00°/100' Drop									
10,700.00	3.22	39.21	10,679.06	375.34	306.18	371.95	2.00	-2.00	0.00
10,800.00	1.22	39.21	10,778.98	378.34	308.63	374.92	2.00	-2.00	0.00
10,861.02	0.00	0.00	10,840.00	378.84	309.04	375.42	2.00	-2.00	0.00
Begin Vertical Hold									
11,400.79	0.00	0.00	11,379.76	378.84	309.04	375.42	0.00	0.00	0.00
KOP2, Begin 10.00°/100' Build									
11,500.00	9.92	359.37	11,478.48	387.41	308.95	383.99	10.00	10.00	0.00
11,600.00	19.92	359.37	11,574.99	413.13	308.67	409.71	10.00	10.00	0.00
11,700.00	29.92	359.37	11,665.56	455.21	308.21	451.79	10.00	10.00	0.00
11,800.00	39.92	359.37	11,747.45	512.38	307.58	508.97	10.00	10.00	0.00
11,900.00	49.92	359.37	11,818.17	582.90	306.81	579.49	10.00	10.00	0.00
12,000.00	59.92	359.37	11,875.57	664.63	305.92	661.22	10.00	10.00	0.00
12,100.00	69.92	359.37	11,917.90	755.08	304.93	751.68	10.00	10.00	0.00
12,200.00	79.92	359.37	11,943.88	851.51	303.88	848.11	10.00	10.00	0.00
12,300.00	89.92	359.37	11,952.72	950.98	302.79	947.60	10.00	10.00	0.00
12,308.42	90.76	359.37	11,952.67	959.40	302.70	956.01	10.00	10.00	0.00
LP, Hold 90.76° Inc at 359.37° Azm									
12,400.00	90.76	359.37	11,951.45	1,050.97	301.70	1,047.59	0.00	0.00	0.00
12,500.00	90.76	359.37	11,950.12	1,150.95	300.61	1,147.58	0.00	0.00	0.00
12,600.00	90.76	359.37	11,948.79	1,250.94	299.52	1,247.57	0.00	0.00	0.00
12,700.00	90.76	359.37	11,947.45	1,350.92	298.42	1,347.56	0.00	0.00	0.00
12,800.00	90.76	359.37	11,946.12	1,450.91	297.33	1,447.55	0.00	0.00	0.00
12,900.00	90.76	359.37	11,944.79	1,550.89	296.24	1,547.54	0.00	0.00	0.00
13,000.00	90.76	359.37	11,943.46	1,650.88	295.15	1,647.53	0.00	0.00	0.00
13,100.00	90.76	359.37	11,942.13	1,750.86	294.06	1,747.53	0.00	0.00	0.00
13,200.00	90.76	359.37	11,940.79	1,850.85	292.96	1,847.52	0.00	0.00	0.00
13,300.00	90.76	359.37	11,939.46	1,950.83	291.87	1,947.51	0.00	0.00	0.00
13,400.00	90.76	359.37	11,938.13	2,050.82	290.78	2,047.50	0.00	0.00	0.00
13,500.00	90.76	359.37	11,936.80	2,150.80	289.69	2,147.49	0.00	0.00	0.00
13,600.00	90.76	359.37	11,935.46	2,250.79	288.60	2,247.48	0.00	0.00	0.00
13,700.00	90.76	359.37	11,934.13	2,350.78	287.50	2,347.47	0.00	0.00	0.00
13,800.00	90.76	359.37	11,932.80	2,450.76	286.41	2,447.46	0.00	0.00	0.00
13,900.00	90.76	359.37	11,931.47	2,550.75	285.32	2,547.45	0.00	0.00	0.00
14,000.00	90.76	359.37	11,930.14	2,650.73	284.23	2,647.45	0.00	0.00	0.00
14,100.00	90.76	359.37	11,928.80	2,750.72	283.14	2,747.44	0.00	0.00	0.00
14,200.00	90.76	359.37	11,927.47	2,850.70	282.04	2,847.43	0.00	0.00	0.00
14,300.00	90.76	359.37	11,926.14	2,950.69	280.95	2,947.42	0.00	0.00	0.00
14,400.00	90.76	359.37	11,924.81	3,050.67	279.86	3,047.41	0.00	0.00	0.00
14,500.00	90.76	359.37	11,923.48	3,150.66	278.77	3,147.40	0.00	0.00	0.00
14,600.00	90.76	359.37	11,922.14	3,250.64	277.68	3,247.39	0.00	0.00	0.00
14,700.00	90.76	359.37	11,920.81	3,350.63	276.58	3,347.38	0.00	0.00	0.00
14,800.00	90.76	359.37	11,919.48	3,450.61	275.49	3,447.37	0.00	0.00	0.00
14,900.00	90.76	359.37	11,918.15	3,550.60	274.40	3,547.37	0.00	0.00	0.00



Planning Report



Database:	USA Compass	Local Co-ordinate Reference:	Well 1H
Company:	Texas Standard Oil	TVD Reference:	RKB @ 3897.00usft (TBD)
Project:	Lea County, NM (NAD 83 - NME)	MD Reference:	RKB @ 3897.00usft (TBD)
Site:	State 9-16	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1 02-14-23		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
15,000.00	90.76	359.37	11,916.81	3,650.58	273.31	3,647.36	0.00	0.00	0.00
15,100.00	90.76	359.37	11,915.48	3,750.57	272.21	3,747.35	0.00	0.00	0.00
15,200.00	90.76	359.37	11,914.15	3,850.55	271.12	3,847.34	0.00	0.00	0.00
15,300.00	90.76	359.37	11,912.82	3,950.54	270.03	3,947.33	0.00	0.00	0.00
15,400.00	90.76	359.37	11,911.49	4,050.52	268.94	4,047.32	0.00	0.00	0.00
15,500.00	90.76	359.37	11,910.15	4,150.51	267.85	4,147.31	0.00	0.00	0.00
15,600.00	90.76	359.37	11,908.82	4,250.49	266.75	4,247.30	0.00	0.00	0.00
15,700.00	90.76	359.37	11,907.49	4,350.48	265.66	4,347.29	0.00	0.00	0.00
15,800.00	90.76	359.37	11,906.16	4,450.46	264.57	4,447.29	0.00	0.00	0.00
15,900.00	90.76	359.37	11,904.82	4,550.45	263.48	4,547.28	0.00	0.00	0.00
16,000.00	90.76	359.37	11,903.49	4,650.43	262.39	4,647.27	0.00	0.00	0.00
16,100.00	90.76	359.37	11,902.16	4,750.42	261.29	4,747.26	0.00	0.00	0.00
16,200.00	90.76	359.37	11,900.83	4,850.40	260.20	4,847.25	0.00	0.00	0.00
16,300.00	90.76	359.37	11,899.50	4,950.39	259.11	4,947.24	0.00	0.00	0.00
16,400.00	90.76	359.37	11,898.16	5,050.37	258.02	5,047.23	0.00	0.00	0.00
16,500.00	90.76	359.37	11,896.83	5,150.36	256.93	5,147.22	0.00	0.00	0.00
16,600.00	90.76	359.37	11,895.50	5,250.35	255.83	5,247.21	0.00	0.00	0.00
16,700.00	90.76	359.37	11,894.17	5,350.33	254.74	5,347.21	0.00	0.00	0.00
16,800.00	90.76	359.37	11,892.84	5,450.32	253.65	5,447.20	0.00	0.00	0.00
16,900.00	90.76	359.37	11,891.50	5,550.30	252.56	5,547.19	0.00	0.00	0.00
17,000.00	90.76	359.37	11,890.17	5,650.29	251.47	5,647.18	0.00	0.00	0.00
17,100.00	90.76	359.37	11,888.84	5,750.27	250.37	5,747.17	0.00	0.00	0.00
17,200.00	90.76	359.37	11,887.51	5,850.26	249.28	5,847.16	0.00	0.00	0.00
17,300.00	90.76	359.37	11,886.17	5,950.24	248.19	5,947.15	0.00	0.00	0.00
17,400.00	90.76	359.37	11,884.84	6,050.23	247.10	6,047.14	0.00	0.00	0.00
17,500.00	90.76	359.37	11,883.51	6,150.21	246.01	6,147.13	0.00	0.00	0.00
17,600.00	90.76	359.37	11,882.18	6,250.20	244.91	6,247.13	0.00	0.00	0.00
17,700.00	90.76	359.37	11,880.85	6,350.18	243.82	6,347.12	0.00	0.00	0.00
17,800.00	90.76	359.37	11,879.51	6,450.17	242.73	6,447.11	0.00	0.00	0.00
17,900.00	90.76	359.37	11,878.18	6,550.15	241.64	6,547.10	0.00	0.00	0.00
18,000.00	90.76	359.37	11,876.85	6,650.14	240.55	6,647.09	0.00	0.00	0.00
18,100.00	90.76	359.37	11,875.52	6,750.12	239.45	6,747.08	0.00	0.00	0.00
18,200.00	90.76	359.37	11,874.19	6,850.11	238.36	6,847.07	0.00	0.00	0.00
18,300.00	90.76	359.37	11,872.85	6,950.09	237.27	6,947.06	0.00	0.00	0.00
18,400.00	90.76	359.37	11,871.52	7,050.08	236.18	7,047.05	0.00	0.00	0.00
18,500.00	90.76	359.37	11,870.19	7,150.06	235.09	7,147.05	0.00	0.00	0.00
18,600.00	90.76	359.37	11,868.86	7,250.05	233.99	7,247.04	0.00	0.00	0.00
18,700.00	90.76	359.37	11,867.52	7,350.03	232.90	7,347.03	0.00	0.00	0.00
18,800.00	90.76	359.37	11,866.19	7,450.02	231.81	7,447.02	0.00	0.00	0.00
18,900.00	90.76	359.37	11,864.86	7,550.00	230.72	7,547.01	0.00	0.00	0.00
19,000.00	90.76	359.37	11,863.53	7,649.99	229.63	7,647.00	0.00	0.00	0.00
19,100.00	90.76	359.37	11,862.20	7,749.97	228.53	7,746.99	0.00	0.00	0.00
19,200.00	90.76	359.37	11,860.86	7,849.96	227.44	7,846.98	0.00	0.00	0.00
19,300.00	90.76	359.37	11,859.53	7,949.94	226.35	7,946.98	0.00	0.00	0.00
19,400.00	90.76	359.37	11,858.20	8,049.93	225.26	8,046.97	0.00	0.00	0.00
19,500.00	90.76	359.37	11,856.87	8,149.91	224.17	8,146.96	0.00	0.00	0.00
19,600.00	90.76	359.37	11,855.54	8,249.90	223.07	8,246.95	0.00	0.00	0.00
19,700.00	90.76	359.37	11,854.20	8,349.89	221.98	8,346.94	0.00	0.00	0.00
19,800.00	90.76	359.37	11,852.87	8,449.87	220.89	8,446.93	0.00	0.00	0.00
19,900.00	90.76	359.37	11,851.54	8,549.86	219.80	8,546.92	0.00	0.00	0.00
20,000.00	90.76	359.37	11,850.21	8,649.84	218.71	8,646.91	0.00	0.00	0.00
20,046.27	90.76	359.37	11,849.59	8,696.10	218.20	8,693.18	0.00	0.00	0.00
TD at 20046.27									



Planning Report



Database:	USA Compass	Local Co-ordinate Reference:	Well 1H
Company:	Texas Standard Oil	TVD Reference:	RKB @ 3897.00usft (TBD)
Project:	Lea County, NM (NAD 83 - NME)	MD Reference:	RKB @ 3897.00usft (TBD)
Site:	State 9-16	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1 02-14-23		

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
- Shape									
LTP/BHL - State 9-16 1H	0.00	0.00	11,849.59	8,696.10	218.20	674,049.40	840,020.00	32° 50' 57.140487 N 103° 21' 38.710230 W	
- plan hits target center									
- Point									
FTP - State 9-16 1H	0.00	0.00	11,952.67	959.40	302.70	666,312.70	840,104.50	32° 49' 40.588462 N 103° 21' 38.554646 W	
- plan hits target center									
- Point									

Plan Annotations					
Measured Depth	Vertical Depth	Local Coordinates			
(usft)	(usft)	+N/-S	+E/-W	Comment	
		(usft)	(usft)		
5,000.00	5,000.00	0.00	0.00	KOP, Begin 2.00°/100' Build	
5,249.92	5,249.61	8.44	6.89	Hold 5.00° Inc at 39.21° Azm	
10,611.10	10,590.39	370.40	302.15	Begin 2.00°/100' Drop	
10,861.02	10,840.00	378.84	309.04	Begin Vertical Hold	
11,400.79	11,379.76	378.84	309.04	KOP2, Begin 10.00°/100' Build	
12,308.42	11,952.67	959.40	302.70	LP, Hold 90.76° Inc at 359.37° Azm	
20,046.27	11,849.59	8,696.10	218.20	TD at 20046.27	

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 333761

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705		2. OGRID Number 329818
4. Property Code 333773		3. API Number 30-025-51128
5. Property Name STATE 9 16		6. Well No. 002H

7. Surface Location

UL - Lot C	Section 21	Township 17S	Range 36E	Lot Idn C	Feet From 855	N/S Line N	Feet From 1980	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot K	Section 9	Township 17S	Range 36E	Lot Idn K	Feet From 2556	N/S Line S	Feet From 1650	E/W Line W	County Lea
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9. Pool Information

WC-025 G-09 S173615C;UPPER PENN	98333
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3872
16. Multiple N	17. Proposed Depth 20349	18. Formation Upper Pennsylvanian Undesignated	19. Contractor	20. Spud Date 3/1/2023
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

Type	Hole Size	Casing Size	Casing Weight/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	2100	1200	0
Int1	12.25	9.625	43.5	11400	2800	0
Prod	8.5	5.5	26	20349	3000	9100

Casing/Cement Program: Additional Comments

Casing grade for Intermediate 1 is HCP-110
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron
Annular	5000	2500	Shafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Electronically filed by Craig E Young	Approved By:	Paul F Kautz
Title:	VP Operations	Title:	Geologist
Email Address:	craig@txsoil.com	Approved Date:	2/27/2023
Date:	2/20/2023	Phone:	432-693-6674
		Expiration Date:	2/27/2025
Conditions of Approval Attached			

ATTACHMENT

A-2

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 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

¹ API Number 30-025	² Pool Code 98333	³ Pool Name WC-025 G-09 S173615C; UPPER PENN
⁴ Property Code	⁵ Property Name STATE 9-16	⁶ Well Number 2H
⁷ OGRID NO. 329818	⁸ Operator Name TEXAS STANDARD OPERATING NM LLC	⁹ Elevation 3872'

¹⁰ Surface Location

UL or lot no. C	Section 21	Township 17S	Range 36E	Lot Idn	Feet from the 855	North/South line NORTH	Feet From the 1980	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 9	Township 17S	Range 36E	Lot Idn	Feet from the 2556	North/South line SOUTH	Feet from the 1650	East/West line WEST	County LEA
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¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 665353.1 - E: 839786.8 LAT: 32.8253122° N LONG: 103.3617724° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 100' FSL-1650' FWL (SEC.16) N: 666303.1 - E: 839444.7 LAT: 32.8279314° N LONG: 103.3628577° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8</p> <p>B: FOUND STONE N: 663533.8 - E: 837830.5</p> <p>C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3</p> <p>D: FOUND 3" POST N: 671469.6 - E: 837736.9</p> <p>E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6</p> <p>F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6</p> <p>G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4</p> <p>H: FOUND NAIL N: 676847.9 - E: 842973.0</p> <p>I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1</p> <p>J: CALCULATED CORNER N: 666250.0 - E: 843085.8</p> <p>K: CALCULATED CORNER N: 660954.4 - E: 843153.6</p> <p>L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9</p> <p>M: FOUND 6" POST N: 671491.1 - E: 840380.2</p>	<p>The diagram shows a grid with a red rectangle representing the well location. The rectangle is labeled with 'B.H. & LTP' at the top right corner and 'FTP' at the bottom left corner. The dimensions of the rectangle are 2556' (width) and 1650' (height). The surface location (SL) is marked at the bottom left corner of the rectangle. The bottom hole location (B.H.) is marked at the top right corner of the rectangle. The corner data points A through M are plotted around the rectangle. The grid is labeled with letters A through K and numbers 1 through 21.</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p><u>Timothy M. Roberson</u>, President, January 30, 2023 Signature Date</p> <p><u>Timothy M. Roberson</u> Printed Name</p> <p><u>tim@txsoil.com</u> E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10/13/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>14400 Certificate Number</p> <p>DALE E. BELL NEW MEXICO 14400 11/03/2022 PROFESSIONAL SURVEYOR</p>
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Job No: LS22101144

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

Permit 333761

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Texas Standard Operating NM LLC [329818] 3300 North A Street Midland, TX 79705	API Number: 30-025-51128
	Well: STATE 9 16 #002H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	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
pkautz	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
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of the well being spud

State of New Mexico
Energy, Minerals and Natural Resources DepartmentSubmit Electronically
Via E-permittingOil 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 DescriptionEffective May 25, 2021**I. Operator:** Texas Standard Operating NM LLC **OGRID:** 329818 **Date:** 1 / 31 / 22**II. Type:** ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.☐ Other, please describe: _____**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
State 9-16 #1H		C-21-17S-36E	855' FNL, 1995' FWL	1200	1250	1000
State 9-16 #2H		C-21-17S-36E	855' FNL, 1980' FWL	1200	1250	1000
State 9-16 #3H		D-21-17S-36E	1295' FNL, 675' FWL	1200	1250	1000
State 9-16 #4H		D-21-17S-36E	1295' FNL, 660' FWL	1200	1250	1000

IV. Central Delivery Point Name: State 9-16 CDP [See 19.15.27.9(D)(1) NMAC]**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
State 9-16 #1H		5/1/23	6/12/23	9/19/23	11/24/23	11/24/23
State 9-16 #2H		6/14/23	7/18/23	9/19/23	11/24/23	11/24/23
State 9-16 #3H		7/22/23	8/24/23	10/7/23	12/10/23	12/10/23
State 9-16 #4H		8/26/23	9/26/23	10/7/23	12/10/23	12/10/23

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.**VII. Operational Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete 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

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ 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 ☐ will ☐ 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 ☐ does ☐ 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

Effective May 25, 2021

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

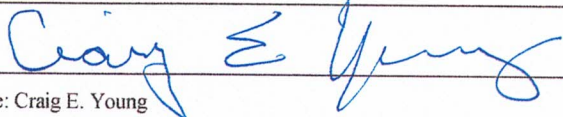
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: 
Printed Name: Craig E. Young
Title: Sr. VP Operations
E-mail Address: Craig@txsoil.com
Date: 2/1/23
Phone: 432-693-6674
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Texas Standard Operating NM LLC Natural Gas Management Plan

Section VI. Separation Equipment

These four wells will be drilled on 2, two well pads. Each pad will have a single battery and metering equipment for each well. It will be a new build facility.

- Separation equipment will be sized to provide adequate separation for anticipated rates.
- Separation equipment will allow for adequate retention time to allow gas and liquids to separate.
- Separation equipment will separate all three phases (Oil, Water, and Gas).
- Collection systems will be appropriately sized to handle facility production rates on all three phases.
- Ancillary equipment and metering is selected to be serviced without flow interruptions, or the need to release gas from the flow stream.

Section VII. Operational Practices as per 19.15.27.8 NMAC Subsections A through F

Subsection A: Texas Standard Operating NM LLC will maximize the recovery of natural gas and minimize the waste of natural gas by properly sizing and maintaining tanks, vessels, and related equipment including thief hatches, enardo valves, flares, and vapor recovery equipment. In all circumstances, Texas Standard shall flare rather than vent natural gas except when flaring is technically infeasible, or when flaring would result a risk to safe operations or personal safety.

Subsection B – Venting and flaring during drilling operations: Texas Standard will capture natural gas coming from the wellbore during drilling operations by routing any gas laden fluids through a mud gas separator with the gas then being routed to a flare stack located at least 100' from the wellbore. In addition, Texas Standard will be drilling the well with fluid sufficiently weighted to minimize the entry of natural gas into the wellbore. Any gas that is flared during the drilling operations will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

Subsection C – Venting and flaring during completion operations: After fracing, sand and the frac plugs will be cleaned out of the wellbore under controlled conditions (circulating 1 barrel in per 1 barrel out) that will reduce or eliminate the flow of gas to the atmosphere. After cleaning the well out, a packer with a rupture disk will be set by wireline. Tubing with gas lift valves will be installed. The rupture disk will then be burst and flowback will commence.

During the initial flowback after the frac job the fluids will go directly into storage tanks until there is sufficient pressure to function a separator at which point the fluids will go into a separator that will remove the gas from the fluid and send the metered gas to an on-site flare stack until it is feasible to route the gas to the inlet separator for this well at the battery.

As soon as it is practical, the produced fluids will be switched out of the flowback separator and into the flowline going directly to the inlet separator for this well and sale as soon as feasible.

Any gas flared during the completion operations will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

Once the well dies, or if the well will not flow, gas lift operations will begin utilizing gas from the Central Battery.

Subsection D – Venting and flaring during production operations: Texas Standard shall not vent or flare natural gas during production operations except as allowed in 19.15.27.8 1,2,& 4 NMAC. Any gas that is flared during production operations will be reported pursuant to Paragraph (1) of Subsection (G) of 19.15.28.8 NMAC.

- Weekly AVO's will be performed on all facilities.
- Leaking thief hatches and pressure safety valves found during AVO's will be cleaned and properly re-sealed.
- All flares will be equipped with auto-ignition systems and continuous pilot operations.
- After a well is stabilized from liquid unloading, the well will be turned back into a collection system.
- All gas lift systems will be optimized to limit the amount of waste.
- All tanks will have automatic gauging equipment installed.

Subsection E – Performance standards: The production facilities that will be utilized by this well have been designed to handle in excess of the anticipated maximum throughput and are rated for pressures greater than the anticipated pressures. In addition, the facilities have been designed to minimize waste of natural gas.

The production storage tanks will be equipped with automated tank gauging system that reduces the need to open thief hatches on the tanks.

Texas Standard will install an anchored flare stack 100' away from the wellbore and production tanks that has an automatic ignitor and a continuous pilot that will combust any natural gas routed to the flare stack and is capable of handling 3 MMCFGPD. Any gas routed through the flare stack will be metered and will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC. Natural gas will not be vented except as allowed in 19.15.27.8. 1, 2, & 4 NMAC.

Low bleed pilots in Pneumatic calves will be installed if necessary.

Texas Standard will utilize SCADA to monitor production and equipment as well as to shut in the wellbore in case of emergency or other situation that could result in gas being released to the atmosphere.

Should the sales line pressure reach the desired maximum operating pressure, the SCADA system will close the Emergency Shut Down Valve on the wellhead and send an alarm to production personnel. In the event the ESD valve failed to close, gas would be routed to the flare stack with a continuous pilot. Any flared gas would be metered.

Texas Standard shall conduct weekly AVO inspections consisting of visual inspections, listening for leaks and smelling for odors to confirm that all production equipment is operating properly and that there are no leaks or releases of natural gas except as allowed in Section D of 19.15.27.9 NMAC. The AVO inspection shall include the inspection of all components to identify defects and leaks. Any leaks that

are found shall be immediately repaired. Texas Standard shall keep record of an AVO inspection for at least 5 years and shall make such record available for inspection by the Division upon request.

Subsection F – Measurement or estimation of vented and flared natural gas: Texas Standard shall measure or estimate the volume of natural gas that it vents, flares or beneficially uses during drilling, completion, and production operations.

Texas Standard will install equipment to measure the volume of natural gas flared from the separation equipment described in Section VI above as well as the process piping and vapor recovery equipment. Metering equipment will also be installed to measure the volume of natural gas delivered to the custody transfer point.

If metering is not practical due to circumstances such as low flare rate or low pressure venting or flaring, Texas Standard shall estimate the volume of vented or flared natural gas using a verifiable methodology,

VIII. Best Management Practices to minimize venting during active and planned maintenance:

Texas Standard Will install an emergency shut down valve on the wellhead to close the well in the event of an abnormal low or high pressure occurrence on the flowline or within the facility.

Swabbing operations, if necessary, will be performed through the separation equipment described in Section VI above in a closed system.

If the tubing is to be pulled, the well will be killed and pulled in an overbalanced condition to increase the safety of personnel and reduce gas emissions.

Should a production vessel need to be worked on, the vessel will be bled down into the system to as low a pressure as is practical and then the vessel will be isolated by valve at the vessel to minimize the volume of gas to be bled off the vessel with none from the associated piping.

After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.

Texas Standard shall verbally notify the division as soon as possible for any venting or flaring event that will exceed 500 MCF or otherwise qualifies as a major release and shall follow up the verbal notification with the filing of a Form C-129. On venting or flaring events that are less than 500 MCF, Texas Standard shall notify the division in writing by filing a Form C-129 within 15 days of the event.



Texas Standard Oil

Lea County, NM (NAD 83 - NME)

State 9-16

2H

OH

Plan: Plan 1 02-15-23

Standard Planning Report

15 February, 2023



Phoenix
Planning Report

Database: USA Compass
Company: Texas Standard Oil
Project: Lea County, NM (NAD 83 - NME)
Site: State 9-16
Well: 2H
Wellbore: OH
Design: Plan 1 02-15-23

Local Co-ordinate Reference: Well 2H
TVD Reference: RKB @ 3897.00usft (TBD)
MD Reference: RKB @ 3897.00usft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project	Lea County, NM (NAD 83 - NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	State 9-16		
Site Position:		Northing:	665,353.30 usft
From: Map		Easting:	839,801.80 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 49' 31.124007 N
		Longitude:	103° 21' 42.205103 W
		Grid Convergence:	0.527 °

Well	2H		
Well Position	+N/-S	-0.20 usft	Northing:
	+E/-W	-15.00 usft	Easting:
Position Uncertainty	1.00 usft		Wellhead Elevation:
			Ground Level:

Wellbore	OH		
Magnetics	Model Name	Sample Date	Declination (°)
	MVHD	2/14/23	6.237
			Dip Angle (°)
			60.554
			Field Strength (nT)
			47,597.98045801

Design	Plan 1 02-15-23		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth:
			0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)
	0.00	0.00	0.00
			Direction (°)
			359.37

Plan Survey Tool Program	Date	2/15/23		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	20,048.88	Plan 1 02-15-23 (OH)	MWD+HRGM
				OWSG MWD + HRGM

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.000	
5,300.00	6.00	317.73	5,299.46	11.61	-10.56	2.00	2.00	0.00	317.735	
9,775.61	6.00	317.73	9,750.54	357.83	-325.20	0.00	0.00	0.00	0.000	
10,075.61	0.00	0.00	10,050.00	369.44	-335.76	2.00	-2.00	0.00	180.000	
11,404.30	0.00	0.00	11,378.68	369.44	-335.76	0.00	0.00	0.00	0.000	
12,311.93	90.76	359.37	11,951.59	950.00	-342.10	10.00	10.00	0.00	359.374	FTP - State 9-16 2H
20,048.88	90.76	359.37	11,848.52	8,685.80	-426.60	0.00	0.00	0.00	0.000	LTP/BHL - State 9-

Phoenix
Planning Report

Database: USA Compass
Company: Texas Standard Oil
Project: Lea County, NM (NAD 83 - NME)
Site: State 9-16
Well: 2H
Wellbore: OH
Design: Plan 1 02-15-23

Local Co-ordinate Reference: Well 2H
TVD Reference: RKB @ 3897.00usft (TBD)
MD Reference: RKB @ 3897.00usft (TBD)
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
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP, Begin 2.00°/100' Build									
5,100.00	2.00	317.73	5,099.98	1.29	-1.17	1.30	2.00	2.00	0.00
5,200.00	4.00	317.73	5,199.84	5.16	-4.69	5.22	2.00	2.00	0.00
5,300.00	6.00	317.73	5,299.46	11.61	-10.56	11.73	2.00	2.00	0.00
Hold 6.00° Inc at 317.73° Azm									
5,400.00	6.00	317.73	5,398.90	19.35	-17.59	19.54	0.00	0.00	0.00
5,500.00	6.00	317.73	5,498.36	27.09	-24.62	27.35	0.00	0.00	0.00
5,600.00	6.00	317.73	5,597.81	34.82	-31.65	35.17	0.00	0.00	0.00
5,700.00	6.00	317.73	5,697.26	42.56	-38.68	42.98	0.00	0.00	0.00
5,800.00	6.00	317.73	5,796.71	50.29	-45.71	50.79	0.00	0.00	0.00
5,900.00	6.00	317.73	5,896.17	58.03	-52.74	58.60	0.00	0.00	0.00
6,000.00	6.00	317.73	5,995.62	65.76	-59.77	66.42	0.00	0.00	0.00
6,100.00	6.00	317.73	6,095.07	73.50	-66.80	74.23	0.00	0.00	0.00
6,200.00	6.00	317.73	6,194.52	81.23	-73.83	82.04	0.00	0.00	0.00
6,300.00	6.00	317.73	6,293.97	88.97	-80.86	89.85	0.00	0.00	0.00
6,400.00	6.00	317.73	6,393.43	96.71	-87.89	97.67	0.00	0.00	0.00
6,500.00	6.00	317.73	6,492.88	104.44	-94.92	105.48	0.00	0.00	0.00
6,600.00	6.00	317.73	6,592.33	112.18	-101.95	113.29	0.00	0.00	0.00
6,700.00	6.00	317.73	6,691.78	119.91	-108.98	121.10	0.00	0.00	0.00
6,800.00	6.00	317.73	6,791.23	127.65	-116.01	128.92	0.00	0.00	0.00
6,900.00	6.00	317.73	6,890.69	135.38	-123.04	136.73	0.00	0.00	0.00
7,000.00	6.00	317.73	6,990.14	143.12	-130.07	144.54	0.00	0.00	0.00
7,100.00	6.00	317.73	7,089.59	150.85	-137.10	152.35	0.00	0.00	0.00
7,200.00	6.00	317.73	7,189.04	158.59	-144.13	160.17	0.00	0.00	0.00
7,300.00	6.00	317.73	7,288.50	166.33	-151.16	167.98	0.00	0.00	0.00
7,400.00	6.00	317.73	7,387.95	174.06	-158.19	175.79	0.00	0.00	0.00
7,500.00	6.00	317.73	7,487.40	181.80	-165.22	183.60	0.00	0.00	0.00
7,600.00	6.00	317.73	7,586.85	189.53	-172.25	191.42	0.00	0.00	0.00
7,700.00	6.00	317.73	7,686.30	197.27	-179.28	199.23	0.00	0.00	0.00
7,800.00	6.00	317.73	7,785.76	205.00	-186.31	207.04	0.00	0.00	0.00
7,900.00	6.00	317.73	7,885.21	212.74	-193.34	214.85	0.00	0.00	0.00
8,000.00	6.00	317.73	7,984.66	220.48	-200.37	222.67	0.00	0.00	0.00
8,100.00	6.00	317.73	8,084.11	228.21	-207.40	230.48	0.00	0.00	0.00
8,200.00	6.00	317.73	8,183.57	235.95	-214.43	238.29	0.00	0.00	0.00
8,300.00	6.00	317.73	8,283.02	243.68	-221.46	246.10	0.00	0.00	0.00
8,400.00	6.00	317.73	8,382.47	251.42	-228.49	253.92	0.00	0.00	0.00
8,500.00	6.00	317.73	8,481.92	259.15	-235.52	261.73	0.00	0.00	0.00
8,600.00	6.00	317.73	8,581.37	266.89	-242.55	269.54	0.00	0.00	0.00
8,700.00	6.00	317.73	8,680.83	274.62	-249.58	277.35	0.00	0.00	0.00
8,800.00	6.00	317.73	8,780.28	282.36	-256.62	285.16	0.00	0.00	0.00
8,900.00	6.00	317.73	8,879.73	290.10	-263.65	292.98	0.00	0.00	0.00
9,000.00	6.00	317.73	8,979.18	297.83	-270.68	300.79	0.00	0.00	0.00
9,100.00	6.00	317.73	9,078.63	305.57	-277.71	308.60	0.00	0.00	0.00
9,200.00	6.00	317.73	9,178.09	313.30	-284.74	316.41	0.00	0.00	0.00
9,300.00	6.00	317.73	9,277.54	321.04	-291.77	324.23	0.00	0.00	0.00
9,400.00	6.00	317.73	9,376.99	328.77	-298.80	332.04	0.00	0.00	0.00
9,500.00	6.00	317.73	9,476.44	336.51	-305.83	339.85	0.00	0.00	0.00
9,600.00	6.00	317.73	9,575.90	344.25	-312.86	347.66	0.00	0.00	0.00
9,700.00	6.00	317.73	9,675.35	351.98	-319.89	355.48	0.00	0.00	0.00
9,775.61	6.00	317.73	9,750.54	357.83	-325.20	361.38	0.00	0.00	0.00
Begin 2.00°/100' Drop									

Phoenix
Planning Report

Database: USA Compass
Company: Texas Standard Oil
Project: Lea County, NM (NAD 83 - NME)
Site: State 9-16
Well: 2H
Wellbore: OH
Design: Plan 1 02-15-23

Local Co-ordinate Reference: Well 2H
TVD Reference: RKB @ 3897.00usft (TBD)
MD Reference: RKB @ 3897.00usft (TBD)
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)
9,800.00	5.51	317.73	9,774.81	359.64	-326.85	363.21	2.00	-2.00	0.00
9,900.00	3.51	317.73	9,874.50	365.46	-332.14	369.09	2.00	-2.00	0.00
10,000.00	1.51	317.73	9,974.39	368.71	-335.09	372.37	2.00	-2.00	0.00
10,075.61	0.00	0.00	10,050.00	369.44	-335.76	373.11	2.00	-2.00	0.00
Begin Vertical Hold									
10,100.00	0.00	0.00	10,074.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,200.00	0.00	0.00	10,174.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,300.00	0.00	0.00	10,274.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,400.00	0.00	0.00	10,374.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,500.00	0.00	0.00	10,474.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,600.00	0.00	0.00	10,574.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,700.00	0.00	0.00	10,674.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,800.00	0.00	0.00	10,774.39	369.44	-335.76	373.11	0.00	0.00	0.00
10,900.00	0.00	0.00	10,874.39	369.44	-335.76	373.11	0.00	0.00	0.00
11,000.00	0.00	0.00	10,974.39	369.44	-335.76	373.11	0.00	0.00	0.00
11,100.00	0.00	0.00	11,074.39	369.44	-335.76	373.11	0.00	0.00	0.00
11,200.00	0.00	0.00	11,174.39	369.44	-335.76	373.11	0.00	0.00	0.00
11,300.00	0.00	0.00	11,274.39	369.44	-335.76	373.11	0.00	0.00	0.00
11,400.00	0.00	0.00	11,374.39	369.44	-335.76	373.11	0.00	0.00	0.00
11,404.30	0.00	0.00	11,378.68	369.44	-335.76	373.11	0.00	0.00	0.00
KOP2, Begin 10.00°/100' Build									
11,500.00	9.57	359.37	11,473.94	377.42	-335.85	381.09	10.00	10.00	0.00
11,600.00	19.57	359.37	11,570.60	402.54	-336.12	406.21	10.00	10.00	0.00
11,700.00	29.57	359.37	11,661.43	444.07	-336.57	447.74	10.00	10.00	0.00
11,800.00	39.57	359.37	11,743.67	500.73	-337.19	504.41	10.00	10.00	0.00
11,900.00	49.57	359.37	11,814.82	570.82	-337.96	574.50	10.00	10.00	0.00
12,000.00	59.57	359.37	11,872.72	652.19	-338.85	655.88	10.00	10.00	0.00
12,100.00	69.57	359.37	11,915.60	742.38	-339.83	746.08	10.00	10.00	0.00
12,200.00	79.57	359.37	11,942.17	838.65	-340.88	842.35	10.00	10.00	0.00
12,300.00	89.57	359.37	11,951.62	938.07	-341.97	941.77	10.00	10.00	0.00
12,311.93	90.76	359.37	11,951.59	950.00	-342.10	953.70	10.00	10.00	0.00
LP, Hold 90.76° Inc at 359.37° Azm									
12,400.00	90.76	359.37	11,950.42	1,038.06	-343.06	1,041.77	0.00	0.00	0.00
12,500.00	90.76	359.37	11,949.08	1,138.04	-344.15	1,141.76	0.00	0.00	0.00
12,600.00	90.76	359.37	11,947.75	1,238.03	-345.25	1,241.75	0.00	0.00	0.00
12,700.00	90.76	359.37	11,946.42	1,338.01	-346.34	1,341.74	0.00	0.00	0.00
12,800.00	90.76	359.37	11,945.09	1,438.00	-347.43	1,441.73	0.00	0.00	0.00
12,900.00	90.76	359.37	11,943.76	1,537.98	-348.52	1,541.72	0.00	0.00	0.00
13,000.00	90.76	359.37	11,942.42	1,637.97	-349.61	1,641.71	0.00	0.00	0.00
13,100.00	90.76	359.37	11,941.09	1,737.95	-350.71	1,741.70	0.00	0.00	0.00
13,200.00	90.76	359.37	11,939.76	1,837.94	-351.80	1,841.69	0.00	0.00	0.00
13,300.00	90.76	359.37	11,938.43	1,937.92	-352.89	1,941.69	0.00	0.00	0.00
13,400.00	90.76	359.37	11,937.10	2,037.91	-353.98	2,041.68	0.00	0.00	0.00
13,500.00	90.76	359.37	11,935.76	2,137.89	-355.08	2,141.67	0.00	0.00	0.00
13,600.00	90.76	359.37	11,934.43	2,237.88	-356.17	2,241.66	0.00	0.00	0.00
13,700.00	90.76	359.37	11,933.10	2,337.86	-357.26	2,341.65	0.00	0.00	0.00
13,800.00	90.76	359.37	11,931.77	2,437.85	-358.35	2,441.64	0.00	0.00	0.00
13,900.00	90.76	359.37	11,930.43	2,537.83	-359.44	2,541.63	0.00	0.00	0.00
14,000.00	90.76	359.37	11,929.10	2,637.82	-360.54	2,641.62	0.00	0.00	0.00
14,100.00	90.76	359.37	11,927.77	2,737.80	-361.63	2,741.61	0.00	0.00	0.00
14,200.00	90.76	359.37	11,926.44	2,837.79	-362.72	2,841.61	0.00	0.00	0.00
14,300.00	90.76	359.37	11,925.11	2,937.77	-363.81	2,941.60	0.00	0.00	0.00
14,400.00	90.76	359.37	11,923.77	3,037.76	-364.91	3,041.59	0.00	0.00	0.00

Phoenix
Planning Report

Database:	USA Compass	Local Co-ordinate Reference:	Well 2H
Company:	Texas Standard Oil	TVD Reference:	RKB @ 3897.00usft (TBD)
Project:	Lea County, NM (NAD 83 - NME)	MD Reference:	RKB @ 3897.00usft (TBD)
Site:	State 9-16	North Reference:	Grid
Well:	2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1 02-15-23		

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)
14,500.00	90.76	359.37	11,922.44	3,137.74	-366.00	3,141.58	0.00	0.00	0.00
14,600.00	90.76	359.37	11,921.11	3,237.73	-367.09	3,241.57	0.00	0.00	0.00
14,700.00	90.76	359.37	11,919.78	3,337.72	-368.18	3,341.56	0.00	0.00	0.00
14,800.00	90.76	359.37	11,918.44	3,437.70	-369.27	3,441.55	0.00	0.00	0.00
14,900.00	90.76	359.37	11,917.11	3,537.69	-370.37	3,541.54	0.00	0.00	0.00
15,000.00	90.76	359.37	11,915.78	3,637.67	-371.46	3,641.54	0.00	0.00	0.00
15,100.00	90.76	359.37	11,914.45	3,737.66	-372.55	3,741.53	0.00	0.00	0.00
15,200.00	90.76	359.37	11,913.12	3,837.64	-373.64	3,841.52	0.00	0.00	0.00
15,300.00	90.76	359.37	11,911.78	3,937.63	-374.73	3,941.51	0.00	0.00	0.00
15,400.00	90.76	359.37	11,910.45	4,037.61	-375.83	4,041.50	0.00	0.00	0.00
15,500.00	90.76	359.37	11,909.12	4,137.60	-376.92	4,141.49	0.00	0.00	0.00
15,600.00	90.76	359.37	11,907.79	4,237.58	-378.01	4,241.48	0.00	0.00	0.00
15,700.00	90.76	359.37	11,906.46	4,337.57	-379.10	4,341.47	0.00	0.00	0.00
15,800.00	90.76	359.37	11,905.12	4,437.55	-380.20	4,441.46	0.00	0.00	0.00
15,900.00	90.76	359.37	11,903.79	4,537.54	-381.29	4,541.46	0.00	0.00	0.00
16,000.00	90.76	359.37	11,902.46	4,637.52	-382.38	4,641.45	0.00	0.00	0.00
16,100.00	90.76	359.37	11,901.13	4,737.51	-383.47	4,741.44	0.00	0.00	0.00
16,200.00	90.76	359.37	11,899.79	4,837.49	-384.56	4,841.43	0.00	0.00	0.00
16,300.00	90.76	359.37	11,898.46	4,937.48	-385.66	4,941.42	0.00	0.00	0.00
16,400.00	90.76	359.37	11,897.13	5,037.46	-386.75	5,041.41	0.00	0.00	0.00
16,500.00	90.76	359.37	11,895.80	5,137.45	-387.84	5,141.40	0.00	0.00	0.00
16,600.00	90.76	359.37	11,894.47	5,237.43	-388.93	5,241.39	0.00	0.00	0.00
16,700.00	90.76	359.37	11,893.13	5,337.42	-390.02	5,341.38	0.00	0.00	0.00
16,800.00	90.76	359.37	11,891.80	5,437.40	-391.12	5,441.38	0.00	0.00	0.00
16,900.00	90.76	359.37	11,890.47	5,537.39	-392.21	5,541.37	0.00	0.00	0.00
17,000.00	90.76	359.37	11,889.14	5,637.37	-393.30	5,641.36	0.00	0.00	0.00
17,100.00	90.76	359.37	11,887.80	5,737.36	-394.39	5,741.35	0.00	0.00	0.00
17,200.00	90.76	359.37	11,886.47	5,837.34	-395.49	5,841.34	0.00	0.00	0.00
17,300.00	90.76	359.37	11,885.14	5,937.33	-396.58	5,941.33	0.00	0.00	0.00
17,400.00	90.76	359.37	11,883.81	6,037.31	-397.67	6,041.32	0.00	0.00	0.00
17,500.00	90.76	359.37	11,882.48	6,137.30	-398.76	6,141.31	0.00	0.00	0.00
17,600.00	90.76	359.37	11,881.14	6,237.28	-399.85	6,241.30	0.00	0.00	0.00
17,700.00	90.76	359.37	11,879.81	6,337.27	-400.95	6,341.30	0.00	0.00	0.00
17,800.00	90.76	359.37	11,878.48	6,437.26	-402.04	6,441.29	0.00	0.00	0.00
17,900.00	90.76	359.37	11,877.15	6,537.24	-403.13	6,541.28	0.00	0.00	0.00
18,000.00	90.76	359.37	11,875.81	6,637.23	-404.22	6,641.27	0.00	0.00	0.00
18,100.00	90.76	359.37	11,874.48	6,737.21	-405.32	6,741.26	0.00	0.00	0.00
18,200.00	90.76	359.37	11,873.15	6,837.20	-406.41	6,841.25	0.00	0.00	0.00
18,300.00	90.76	359.37	11,871.82	6,937.18	-407.50	6,941.24	0.00	0.00	0.00
18,400.00	90.76	359.37	11,870.49	7,037.17	-408.59	7,041.23	0.00	0.00	0.00
18,500.00	90.76	359.37	11,869.15	7,137.15	-409.68	7,141.22	0.00	0.00	0.00
18,600.00	90.76	359.37	11,867.82	7,237.14	-410.78	7,241.22	0.00	0.00	0.00
18,700.00	90.76	359.37	11,866.49	7,337.12	-411.87	7,341.21	0.00	0.00	0.00
18,800.00	90.76	359.37	11,865.16	7,437.11	-412.96	7,441.20	0.00	0.00	0.00
18,900.00	90.76	359.37	11,863.83	7,537.09	-414.05	7,541.19	0.00	0.00	0.00
19,000.00	90.76	359.37	11,862.49	7,637.08	-415.14	7,641.18	0.00	0.00	0.00
19,100.00	90.76	359.37	11,861.16	7,737.06	-416.24	7,741.17	0.00	0.00	0.00
19,200.00	90.76	359.37	11,859.83	7,837.05	-417.33	7,841.16	0.00	0.00	0.00
19,300.00	90.76	359.37	11,858.50	7,937.03	-418.42	7,941.15	0.00	0.00	0.00
19,400.00	90.76	359.37	11,857.16	8,037.02	-419.51	8,041.14	0.00	0.00	0.00
19,500.00	90.76	359.37	11,855.83	8,137.00	-420.61	8,141.14	0.00	0.00	0.00
19,600.00	90.76	359.37	11,854.50	8,236.99	-421.70	8,241.13	0.00	0.00	0.00
19,700.00	90.76	359.37	11,853.17	8,336.97	-422.79	8,341.12	0.00	0.00	0.00
19,800.00	90.76	359.37	11,851.84	8,436.96	-423.88	8,441.11	0.00	0.00	0.00

Phoenix
Planning Report

Database: USA Compass
Company: Texas Standard Oil
Project: Lea County, NM (NAD 83 - NME)
Site: State 9-16
Well: 2H
Wellbore: OH
Design: Plan 1 02-15-23

Local Co-ordinate Reference: Well 2H
TVD Reference: RKB @ 3897.00usft (TBD)
MD Reference: RKB @ 3897.00usft (TBD)
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)
19,900.00	90.76	359.37	11,850.50	8,536.94	-424.97	8,541.10	0.00	0.00	0.00
20,000.00	90.76	359.37	11,849.17	8,636.93	-426.07	8,641.09	0.00	0.00	0.00
20,048.88	90.76	359.37	11,848.52	8,685.80	-426.60	8,689.97	0.00	0.00	0.00
TD at 20048.88									

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
LTP/BHL - State 9-16 - hit/miss target - Shape	0.00	0.00	11,848.52	8,685.80	-426.60	674,038.90	839,360.20	12° 50' 57.096649 N	3° 21' 46.444870 W
FTP - State 9-16 2H - plan hits target center - Point	0.00	0.00	11,951.59	950.00	-342.10	666,303.10	839,444.70	12° 49' 40.553496 N	3° 21' 46.287345 W

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
20,048.88	11,848.52	20" Casing	20	24

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	+E/-W (usft)	Comment
5,000.00	5,000.00	0.00	0.00	KOP, Begin 2.00°/100' Build
5,300.00	5,299.46	11.61	-10.56	Hold 6.00° Inc at 317.73° Azm
9,775.61	9,750.54	357.83	-325.20	Begin 2.00°/100' Drop
10,075.61	10,050.00	369.44	-335.76	Begin Vertical Hold
11,404.30	11,378.68	369.44	-335.76	KOP2, Begin 10.00°/100' Build
12,311.93	11,951.59	950.00	-342.10	LP, Hold 90.76° Inc at 359.37° Azm
20,048.88	11,848.52	8,685.80	-426.60	TD at 20048.88