Form 3160-3
(June 2015)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM91078

6. If Indian, Allotee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☑ Single Zone ☐ Multiple Zone

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

8. Lease Name and Well No.: RANA SALADA FED 01 231H

2. Name of Operator: NOVO OIL AND GAS NORTHERN DELAWARE LLC

9. API Well No.: 30 015 48579

3a. Address: 1001 West Wilshire Boulevard Suite 206, Oklahoma City, (

3b. Phone No. *(include area code)*: (405) 404-0414

10. Field and Pool, or Exploratory: PURPLE SAGE WOLFCAMP

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: LOT 4 / 144 FNL / 243 FWL / LAT 32.3416134 / LONG -104.0484546

At proposed prod. zone: LOT 1 / 330 FNL / 130 FEL / LAT 32.3411412 / LONG -104.0323714

11. Sec., T. R. M. or Blk. and Survey or Area: SEC 1/T23S/R28E/NMP

14. Distance in miles and direction from nearest town or post office*: 5 miles

12. County or Parish: EDDY

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 144 feet

16. No of acres in lease:

17. Spacing Unit dedicated to this well: 318.88

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 20 feet

19. Proposed Depth: 10579 feet / 16209 feet

20. BLM/BIA Bond No. in file: FED: NMB001536

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 3079 feet

22. Approximate date work will start*: 11/01/2020

23. Estimated duration: 90 days

24. Attachments

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

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

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	BRIAN WOOD / Ph: (405) 404-0414	08/12/2020

Title: President

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
(Electronic Submission)	Cody Layton / Ph: (575) 234-5959	06/04/2021

Title	Office
Assistant Field Manager Lands & Minerals	Carlsbad Field Office

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

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

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 06/04/2021

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	[2] Pool Code	[3] Pool Name
30-015- 48579	98220	PURPLE SAGE; WOLFCAMP (GAS)

[4] Property Code	[5] Property Name	[6] Well Number
330695	RANA SALADA FED 01	231H

[7] OGRID No.	[8] Operator Name	[9] Elevation
372920	NOVO OIL & GAS NORTHERN DELAWARE, LLC	3069.1

[10] Surface Location

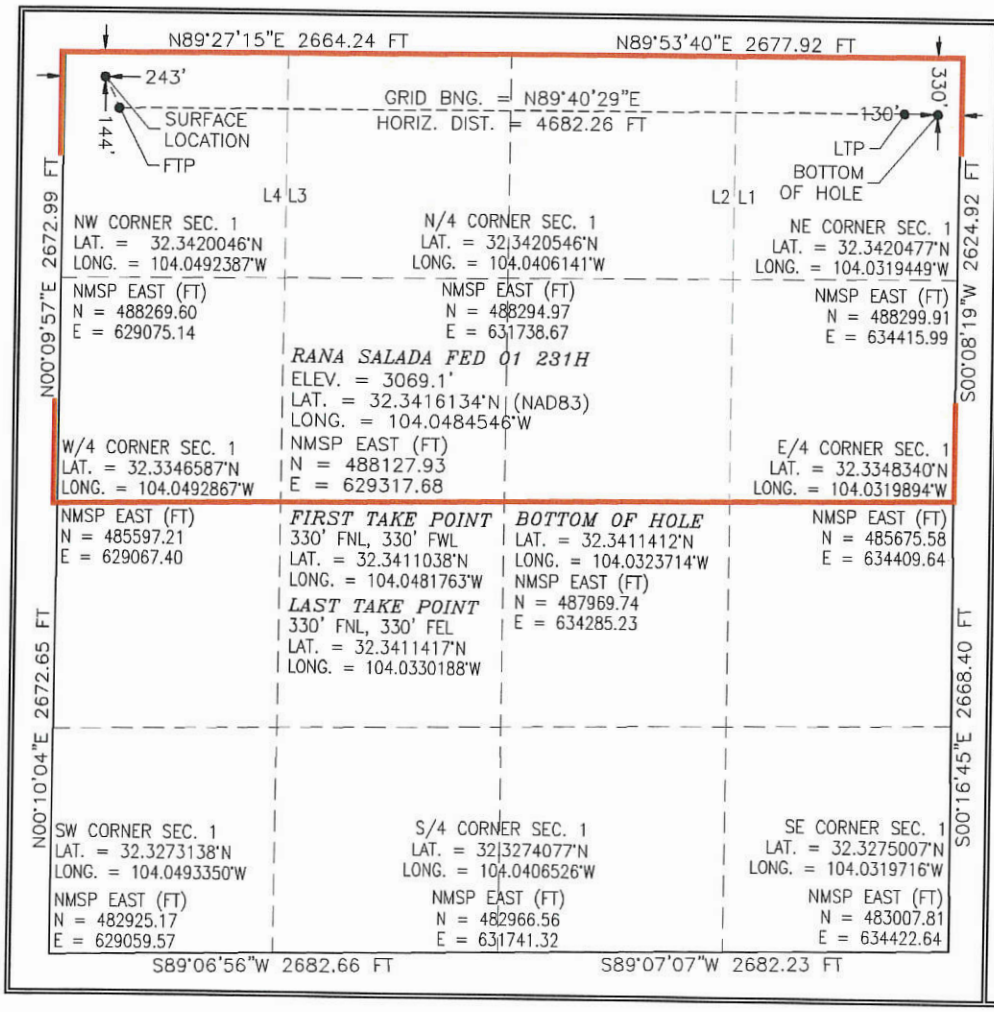
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	23 S	28 E		144	NORTH	243	WEST	EDDY

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	23 S	28 E		330	NORTH	130	EAST	EDDY

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
318.88			

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



[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.

8-9-20
Signature Date

BRIAN WOOD
Printed Name

brian@permitswest.com
E-mail Address

(505) 466-8120

[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.

APRIL 21, 2020
Date of Survey

Signature and Seal of Professional Surveyor:
Certificate Number: [illegible] JARAMILLO, PLS 12797

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: _Novo Oil & Gas Northern Delaware, LLC_____ **OGRID:** ___372920_____**Date:** __06__/_14___/_21____

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If 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
Rana Salada Fed 01 131H		D-1-23S-28E	144 FNL & 393 FWL	700	5200	2300
Rana Salada Fed 01 211H		D-1-23S-28E	104 FNL & 393 FWL	700	5200	2300
Rana Salada Fed 01 221H		D-1-23S-28E	124 FNL & 393 FWL	700	5200	2300
Rana Salada Fed 01 231H		D-1-23S-28E	144 FNL & 243 FWL	700	5200	2300

IV. Central Delivery Point Name: _CTB Name: Rana Salada 0106 CTB 2_____ [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
Rana Salada Fed 01 131H		8/1/22	8/15/22	10/25/22	11/12/22	12/1/22
Rana Salada Fed 01 211H		8/16/22	9/13/22	10/25/22	11/12/22	12/1/22
Rana Salada Fed 01 221H		9/15/22	9/29/22	10/25/22	11/12/22	12/1/22
Rana Salada Fed 01 231H		9/30/22	10/14/22	10/25/22	11/12/22	12/1/22

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:	Josh Carter
Printed Name:	Justin Carter
Title:	Landman
E-mail Address:	jcarter@novoog.com
Date:	6/15/2021
Phone:	405.286.3375

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

APPENDIX A

Separation Equipment

Novo Oil & Gas Northern Delaware, LLC (Novo) has pulled representative pressurized samples from wells in the same producing formation. Novo has utilized these samples in process simulations to determine the amount of gas anticipated in each stage of the process and utilized this information with a safety factor to size the equipment listed below:

- Separation equipment will be set as follows:
  - Individual 3 Phase separators will be set for each individual well.
    - The separators will be sized based on the anticipated volume of the well and the pressure of the lines utilized for oil, gas, and water takeaway.
  - Individual Heater treaters will be set for each individual well.
    - The heater treaters are sized based on the anticipated combined volume of oil and water predicted to come from the initial 3 phase separator.
    - Oil will be separated from the water and water will be sent to its respective tanks
    - The combined oil and natural gas stream is routed to the Vapor Recovery Tower.
  - The oil and water tanks utilize a closed vent capture system to ensure all breathing, working and flashing losses are routed to the Vapor Recovery Tower (VRT) and Vapor Recovery Unit (VRU)
  - The Vapor Recovery Tower has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks. A VRU is then utilized to push the recovered gas into the sales pipeline.
    - The VRU will be sized based on the anticipated gas volume and the gas pressure for the line utilized for takeaway.

All equipment has been sized based on the modeled projected need and a safety factor of at least 10%. This is ensuring that the capture of methane gas and VOC will minimize flaring below 50mcf/d per facility.

Operational Practices

19.15.27.8 (A) Venting and Flaring of Natural Gas

Novo Oil & Gas Northern Delaware, LLC (Novo) understands the requirements of NMAC 19.15.27.8 which states that the venting and flaring of natural gas during drilling, completion or production that constitutes waste as defined in 19.15.2 are prohibited.

19.15.27.8 (B) Venting and flaring during drilling operations

1. Novo shall capture or combust natural gas if technically feasible during drilling operations using best industry practices.
2. A flare stack with a 100 percent capacity for expected volumes will be set on location of the CTB at least 100 feet from the nearest surface hole location, well heads, and storage tanks.
3. In the event of an emergency, Novo will vent natural gas in order to avoid substantial impact. Novo shall report the vented or flared gas to the NMOCD.

19.15.27.8 (C) Venting and flaring during completion or recompletion

During completion operations, Novo utilizes the following:

1. Novo facilities are built and ready from day 1 of flowback
2. Individual well test separators will be set to properly separate gas and liquids. Temporary test separator will be utilized initially to process volumes. In addition, separators will be tied into flowback tanks which will be tied into the gas processing equipment for sales down a pipeline. See **Appendix A** for details on Separation Equipment used by Novo.
3. Should the facility not yet be capable of processing gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or a temporary flare to manage all natural gas. This flare would meet the following requirements:
    a) An appropriately sized flare stack with an automatic igniter
    b) Novo analyzes the natural gas samples twice per week

c) Novo routes the natural gas into a gathering pipeline as soon as the pipeline specifications are met
d) Novo provides the NMOCD with pipeline specifications and natural gas data.

19.15.27.8 (D) Venting and flaring during production operations.

Novo will not vent or flare natural gas except under the following circumstances:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided
   a) Novo does not vent after the well achieves a stabilized rate and pressure
   b) Novo will remain present on-site during liquids unloaded by manual purging and takes all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time
   c) Novo will optimize the system to minimize natural gas venting on any well equipped with a plunger lift or auto control system
   d) Best management practices will be used during downhole well maintenance.
3. During the first year of production from an exploratory well provided
   a) Novo receives approval from the NMOCD
   b) Novo remains in compliance with NM gas capture requirements
   c) Novo submits an updated C-129 from to the NMOCD.
4. During the following activities unless prohibited
   a) Gauging or sampling a storage tank or low-pressure production vessel
   b) Loading out liquids from a storage tank
   c) Repair and maintenance
   d) Normal operation of a gas-activated pneumatic controller or pump
   e) Normal operation of a storage tank but not including venting from a thief hatch
   f) Normal operation of dehydration units
   g) Normal operations of compressors, compressor engines, turbines, valves, flanges, and connectors
   h) During a bradenhead, packer leakage test, or production test lasting less than 24 hours
   i) When natural gas does not meet the gathering pipeline specifications
   j) Commissioning of pipelines, equipment, or facilities only for as long as necessary to purge introduced impurities.

In order to comply with these laws, see **Appendix B** for details on Novo Venting and Flaring.

19.15.27.8 (E) Performance standards

1. Novo has utilized process simulations with a safety factor to design all separation and storage equipment. The equipment is routed to a vapor recovery system and utilizes as a flare as back up for periods of startup, shutdown, maintenance or malfunction of the VRU system.
2. Novo will install a flare that designed to handle the full volume of vapors from the facility in case of VRU failure and it is designed with an auto-ignition system.
3. Flare stacks will be appropriately sized and designed to ensure proper combustion efficiency
    a) Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot
    b) Previously installed flare stacks will be retrofitted with an automatic ignitor, continuous pilot , or technology that alerts Novo of flare malfunction within 18 months after May 25, 2021.
    c) Flare stacks replaced after May 25, 2021 will be equipped with an automatic ignitor or continuous pilot if located at a well or facility with an average daily production of 60,000 cubic feet of natural gas or less.
    d) Flare stacks will be located at least 100 feet from well and storage tanks and securely anchored
4. Novo will conduct an AVO inspection on all components for leaks and defects at least weekly.
5. Novo will make and keep records of AVO inspections available to the NMOCD for at least 5 years.
6. Novo may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. Novo will resolve emergencies as promptly as possible.

19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

1. Novo will have meters on both the low pressure and high pressure sides of the flares and the volumes are recorded in the SCADA system.
2. Novo will install equipment to measure the volume of flared natural gas that has an average daily production of 60,000 cubic feet or greater of natural gas.
3. Novo's measuring equipment will conform to an industry standards.
4. The measurement system is designed such that it cannot be bypassed except for inspections and servicing the meters.
5. Novo will estimate the volume of vented or flared natural gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.

6. Novo will estimate the volume of vented and flared natural gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on form C-116.
7. Novo will install measuring equipment whenever the NMOCD determines that metering is necessary.

APPENDIX A

Separation Equipment

Novo Oil & Gas Northern Delaware, LLC (Novo) has pulled representative pressurized samples from wells in the same producing formation. Novo has utilized these samples in process simulations to determine the amount of gas anticipated in each stage of the process and utilized this information with a safety factor to size the equipment listed below:

- Separation equipment will be set as follows:
  - Individual 3 Phase separators will be set for each individual well.
    - The separators will be sized based on the anticipated volume of the well and the pressure of the lines utilized for oil, gas, and water takeaway.
  - Individual Heater treaters will be set for each individual well.
    - The heater treaters are sized based on the anticipated combined volume of oil and water predicted to come from the initial 3 phase separator.
    - Oil will be separated from the water and water will be sent to its respective tanks
    - The combined oil and natural gas stream is routed to the Vapor Recovery Tower.
  - The oil and water tanks utilize a closed vent capture system to ensure all breathing, working and flashing losses are routed to the Vapor Recovery Tower (VRT) and Vapor Recovery Unit (VRU)
  - The Vapor Recovery Tower has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks. A VRU is then utilized to push the recovered gas into the sales pipeline.
    - The VRU will be sized based on the anticipated gas volume and the gas pressure for the line utilized for takeaway.

All equipment has been sized based on the modeled projected need and a safety factor of at least 10%. This is ensuring that the capture of methane gas and VOC will minimize flaring below 50mcf/d per facility.

APPENDIX B

Venting and Flaring

Novo Oil & Gas Northern Delaware, LLC (Novo) has a natural gas system available prior to startup of completion operations. Novo utilizes a VRU system and sells all gas except during periods of startup, shutdown, maintenance, or malfunction for the gas capturing equipment, including the VRT, VRU, storage tanks, and pipelines.

Currently, Novo utilizes the following from list A-I of Section 3 for its operations to minimize flaring:

a) Novo Oil & Gas utilizes Natural Gas (NG) powered generators to power it's leases where grid power isn't available.
b) When electrical grid power is unavailable, NG generators will be used for major equipment onsite.
c) Novo Oil & Gas compression in service will be NG powered.
d) Should liquids removal – such as dehydration – be required, units will be powered by NG.

Additionally, Novo Oil & Gas will only flare gas during the following times:

- Scheduled maintenance for gas capturing equipment including:
  - VRT
  - VRU
  - Storage tanks
  - Pipelines
- Emergency flaring

Best Management Practices

Novo Oil & Gas Northern Delaware, LLC (Novo) utilizes the following best management practices to minimize venting during active and planned maintenance.

Novo has a closed vent capture system to route emissions from the heater treater, tanks and vapor recovery to the VRU with a flare for backup. The system is designed such that if the VRU is taken out of service for any reason, the vapors will be routed to the flare for combustion.

Novo will isolate and attempt to route all vapors to the VRU or flare prior to opening any lines for maintenance to minimize venting from the equipment. Not limited to:

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

Drilling Plan Data Report
06/04/2021

APD ID: 10400060238 **Submission Date:** 08/12/2020

Operator Name: NOVO OIL AND GAS NORTHERN DELAWARE LLC

Well Name: RANA SALADA FED 01 **Well Number:** 231H

Well Type: CONVENTIONAL GAS WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
819417	QUATERNARY	3069	0	0	OTHER : None	USEABLE WATER	N
819418	RUSTLER ANHYDRITE	2855	214	214	ANHYDRITE	NONE	N
819419	CASTILE	1169	1900	1900	SALT	NONE	N
819420	LAMAR	339	2730	2752	LIMESTONE	NONE	N
819421	BELL CANYON	305	2764	2787	SANDSTONE	NATURAL GAS, OIL	N
819422	CHERRY CANYON	-715	3784	3835	SANDSTONE	NATURAL GAS, OIL	N
819423	BRUSHY CANYON	-2165	5234	5324	SANDSTONE	NATURAL GAS, OIL	N
819424	BONE SPRING	-3235	6304	6396	LIMESTONE	NATURAL GAS, OIL	N
819425	AVALON SAND	-3915	6984	7076	SHALE	NATURAL GAS, OIL	N
819426	BONE SPRING 1ST	-4335	7404	7496	SANDSTONE	NATURAL GAS, OIL	N
819427	BONE SPRING 2ND	-4585	7654	7746	OTHER : Carbonate	NATURAL GAS, OIL	N
819428	BONE SPRING 2ND	-5040	8109	8201	SANDSTONE	NATURAL GAS, OIL	N
819429	BONE SPRING 3RD	-5405	8474	8566	OTHER : Carbonate	NATURAL GAS, OIL	N
819430	BONE SPRING 3RD	-6285	9354	9446	SANDSTONE	NATURAL GAS, OIL	N
819416	WOLFCAMP	-6595	9664	9756	OTHER : XY Carbonate	NATURAL GAS, OIL	N
819415	WOLFCAMP	-6740	9809	9901	OTHER : A Carbonate	NATURAL GAS, OIL	N
819432	WOLFCAMP	-7000	10069	10161	OTHER : B Carbonate	NATURAL GAS, OIL	N
819433	WOLFCAMP	-7345	10414	10552	OTHER : B Carbonate flow unit	NATURAL GAS, OIL	Y

Operator Name: NOVO OIL AND GAS NORTHERN DELAWARE LLC

Well Name: RANA SALADA FED 01 **Well Number:** 231H

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M **Rating Depth:** 1500

Equipment: A 13.625 10,000-psi BOP system will be installed on a multi-bowl (speed head) wellhead with a 13.625 flanged casing spool. Top flange of casing spool will be set in a cellar below ground level. BOP system will consist of a single pipe ram on the bottom, mud cross, double pipe ram with blind rams on bottom and pipe rams on top, and annular preventer. Blowout preventer will be installed on top of the 13.375 surface casing and will remain installed to TD of the well. Wellhead, blowout preventer, and choke manifold diagram are included.
Requesting Variance? YES

Variance request: Variance is requested to use a co-flex hose between the BOP system and choke manifold. A typical co-flex pressure test certificate is attached. An equipment specific co-flex pressure test certificate will be on site when testing the BOP.
Testing Procedure: BOP system will be isolated with a test plug and tested by an independent tester to 250-psi low and 10,000-psi high for 10 minutes. Surface casing will be pressure tested to 250-psi low and 1500-psi high. Intermediate casing will be pressure tested to 250-psi low and (0.22 psi x shoe TVD which is equivalent to 2173.38 psi) high for 30 minutes. All casing strings will be tested in accordance with Onshore Order 2 III.B.1.h.
Choke Diagram Attachment:

RS_01_231H_Choke_20210117102132.pdf

BOP Diagram Attachment:

RS_01_231H_BOP_20200812123310.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	400	0	400	3079	2679	400	J-55	54.5	BUTT	1.125	1.125	DRY	1.6	DRY	1.6
2	INTERMEDIATE	9.875	8.625	NEW	NON API	N	0	9879	0	9787	3064	-6708	9879	OTHER	32	OTHER - TLW	1.125	1.125	DRY	1.6	DRY	1.6
3	PRODUCTION	7.875	5.5	NEW	NON API	N	0	16210	0	10579	3064	-7500	16210	OTHER	20	OTHER - DWC/C-IS Plus	1.125	1.125	DRY	1.6	DRY	1.6

Casing Attachments

Operator Name: NOVO OIL AND GAS NORTHERN DELAWARE LLC

Well Name: RANA SALADA FED 01 **Well Number:** 231H

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

RS_01_231H_Casing_Design_Assumptions_20200812123337.pdf

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

Inspection Document:

Spec Document:

8.625in_P_110_HSCY_20200812123412.pdf

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

RS_01_231H_Casing_Design_Assumptions_20200812123431.pdf

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

Inspection Document:

Spec Document:

5.5in_P_110_EC_20200812123458.pdf

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

RS_01_231H_Casing_Design_Assumptions_20200812123506.pdf

Section 4 - Cement

Operator Name: NOVO OIL AND GAS NORTHERN DELAWARE LLC

Well Name: RANA SALADA FED 01 **Well Number:** 231H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	0	0	0	0	0	0	None	None
SURFACE	Tail		0	400	343	1.62	13.8	555	100	Class C	Gel + accelerator + LCM
PRODUCTION	Lead		0	0	0	0	0	0	0	None	None
PRODUCTION	Tail		9379	16210	781	1.89	13	1476	20	Class H	Fluid loss + retarder + LCM
INTERMEDIATE	Lead		0	9879	537	2.69	10.5	1444	20	Class C or H	Fluid loss + retarder + LCM + possibly beads for compressive strength
INTERMEDIATE	Tail		0	9879	130	1.34	14.8	174	20	Class C or H	Fluid loss + retarder + LCM

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

Describe what will be on location to control well or mitigate other conditions: All necessary mud products (barite, bentonite, LCM) to control weight and fluid loss will be on site at all times. Mud program may change due to hole conditions.

Describe the mud monitoring system utilized: An electronic PVT mud system will monitor flow rate, pump pressure, stroke rate, and volume.

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	400	OTHER : Fresh water spud	8.3	8.3							
400	9879	OTHER : Brine Diesel Emulsion	8.8	9.4							

Operator Name: NOVO OIL AND GAS NORTHERN DELAWARE LLC

Well Name: RANA SALADA FED 01 **Well Number:** 231H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
9879	16210	OIL-BASED MUD	11	13.5							

Section 6 - Test, Logging, Coring

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

A 2-person mud logging program will be used from 3000' to TD. GR log will be acquired by MWD tools from the intermediate casing to TD.

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

MUD LOG/GEOLOGICAL LITHOLOGY LOG,GAMMA RAY LOG,

Coring operation description for the well:

No core or drill stem test is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7405 **Anticipated Surface Pressure:** 5077

Anticipated Bottom Hole Temperature(F): 165

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

RS_01_231H_H2S_Plan_20200812123735.pdf

Operator Name: NOVO OIL AND GAS NORTHERN DELAWARE LLC

Well Name: RANA SALADA FED 01 **Well Number:** 231H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

RS_01_231H_Horizontal_Plan_20200812123837.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

RS_01_231H_Drill_Plan_20200812123845.pdf
CoFlex_Certs_20200812123858.pdf
RS_01_231H_Anti_Collision_Report_20200812123906.pdf
RS_01_231H_Speedhead_Specs_20200812123914.pdf

Other Variance attachment:

Alternative_Casing__Spec_Request_20200812123924.pdf
RS_01_231H_Casing_Cement_Variance_20200812123930.pdf

NOVO

Company: Novo Oil & Gas, LLC
Well: Rana Salada Fed 01 231H
County: Eddy County, New Mexico (NAD 83)
Rig: 25' RKB
Wellbore: Wellbore #1
Design: Design #1
Created By: MEB
Date: 14:14, April 15 2020

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

T G M

Azimuths to Grid North
True North: -0.15°
Magnetic North: 6.85°

Magnetic Field
Strength: 47830.1nT
Dip Angle: 60.07°
Date: 5/1/2020
Model: HDGM2020

To convert a Magnetic Direction to a Grid Direction, Add 6.848°
To convert a Magnetic Direction to a True Direction, Add 7.000° East
To convert a True Direction to a Grid Direction, Subtract 0.152°

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
FTP - Rana Salada Fed 01 231H	10579.00	-185.21	86.51	487942.72	629404.19	32.341104	-104.048176
LTP - Rana Salada Fed 01 231H	10579.00	-158.56	4767.59	487969.37	634085.27	32.341142	-104.033019
PBHL - Rana Salada Fed 01 231H	10579.00	-158.19	4967.55	487969.74	634285.23	32.341141	-104.032371

SURVEY PROGRAM

Depth From	Depth To	Survey/Plan	Tool
0.00	16209.27	Design #1 (Wellbore #1)	MWD+HRGM

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.000	0.00	KOP, 2.00°/100' Build
2168.17	13.36	256.89	2162.13	-17.60	-75.54	2.00	256.885	-74.95	Hold 13.36° Inc, 256.89° Azm
5123.94	13.36	256.89	5037.87	-172.61	-740.88	0.00	0.000	-735.02	Begin 2.00°/100' Drop
5792.11	0.00	0.00	5700.00	-190.21	-816.43	2.00	180.000	-809.96	Begin Vertical Hold
10098.16	0.00	0.00	10006.04	-190.21	-816.43	0.00	0.000	-809.96	Begin 10.00°/100' Build
10998.16	90.00	89.68	10579.00	-187.04	-243.48	10.00	89.683	-237.40	Begin 90.00° Lateral
16209.27	90.00	89.68	10579.00	-158.19	4967.55	0.00	0.000	4970.07	PBHL

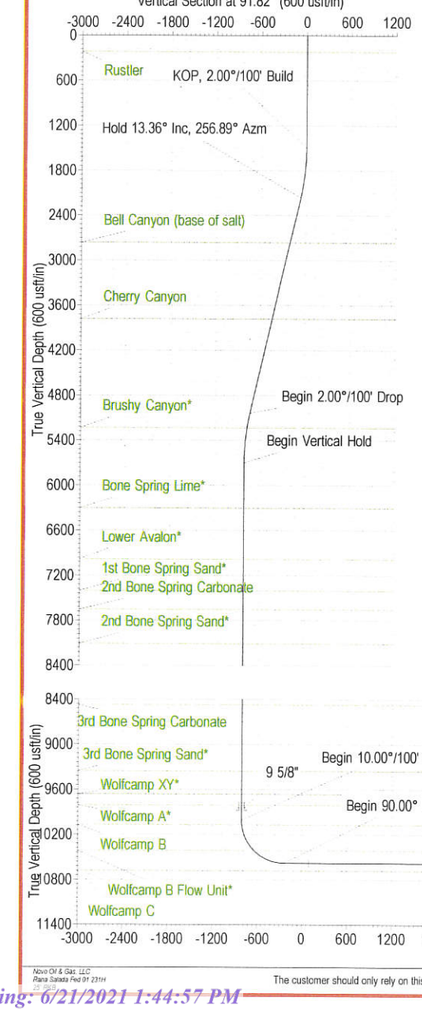
WELL DETAILS: Rana Salada Fed 01 231H

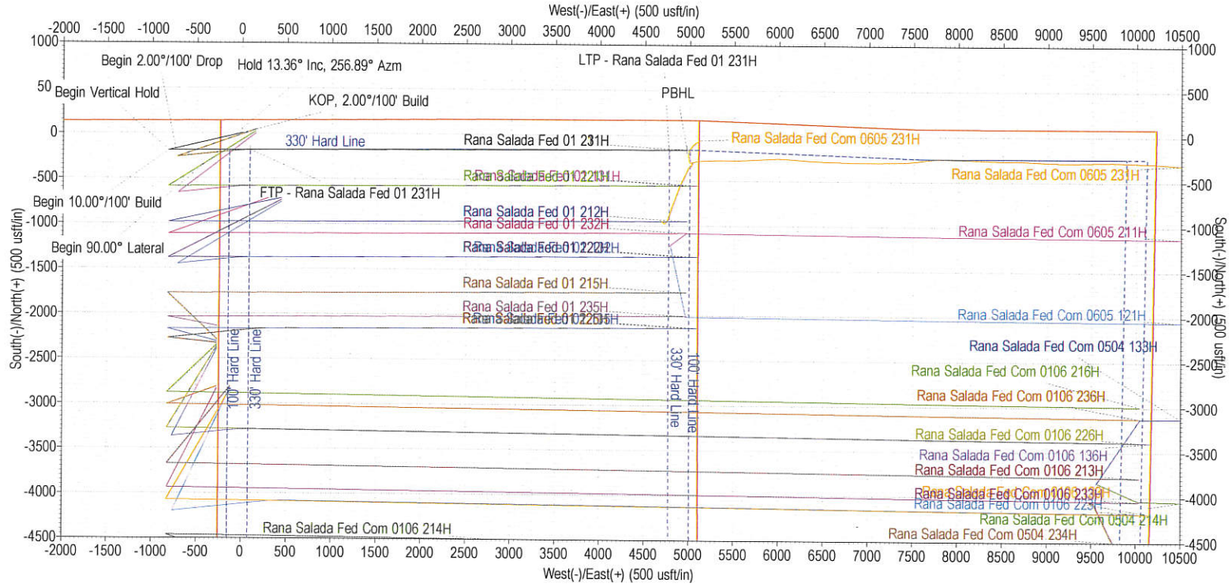
+N/-S	+E/-W	GL @ 3069.10 Northing	WELL @ 3094.10usft (25' RKB) Easting	Latitude	Longitude
0.00	0.00	488127.93	629317.68	32.341613	-104.048455

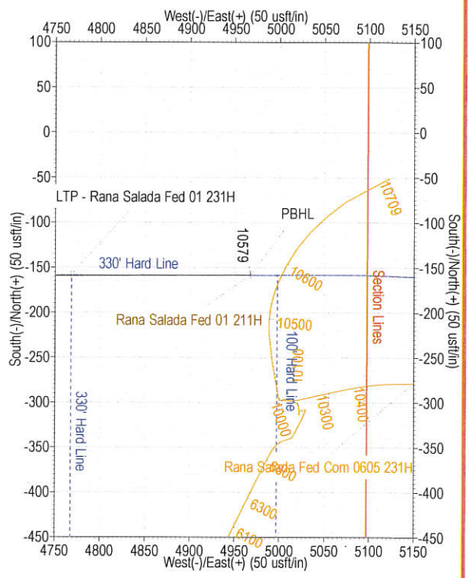
CASING DETAILS

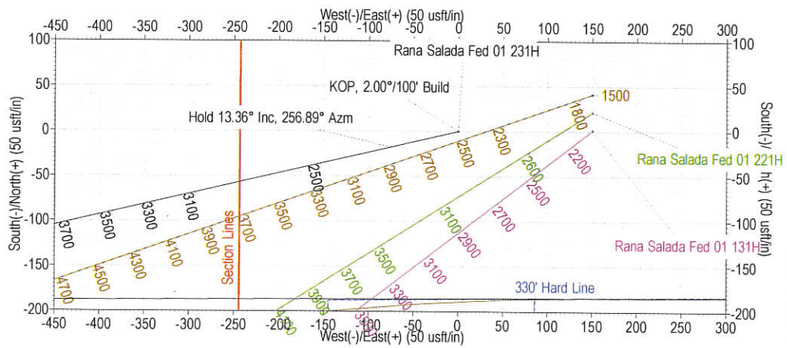
TVD	MD	Name
9879.00	9971.11	9 5/8"

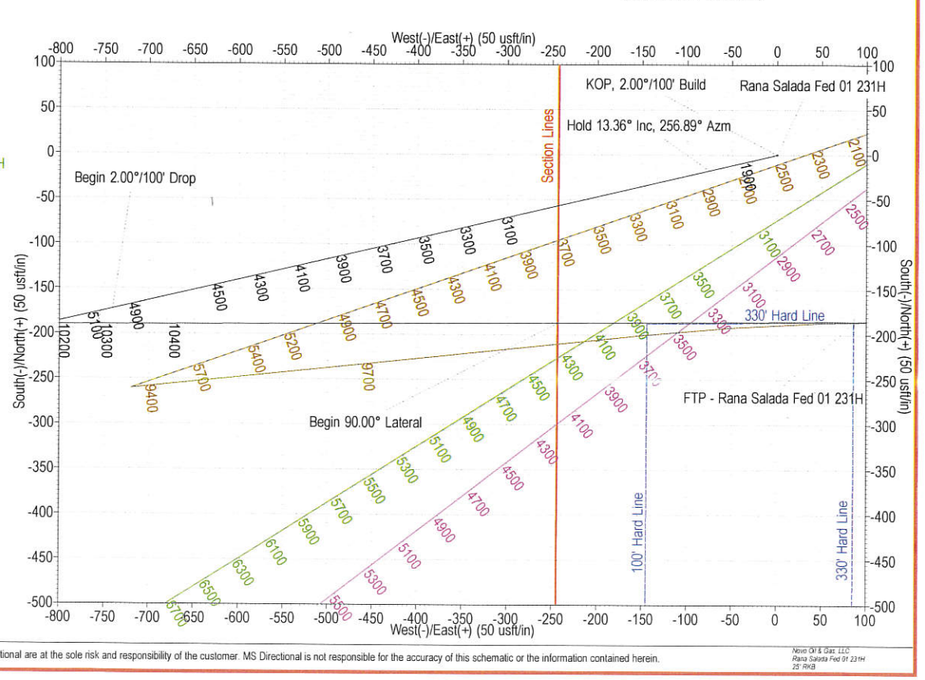
MS Directional











NOVO

MS Directional
Planning Report

MS Directional

Database:	EDM 5000.15 Conroe DB	**Local Co-ordinate Reference:**	Well Rana Salada Fed 01 231H
Company:	Novo Oil & Gas, LLC	**TVD Reference:**	WELL @ 3094.10usft (25' RKB)
Project:	Eddy County, New Mexico (NAD 83)	**MD Reference:**	WELL @ 3094.10usft (25' RKB)
Site:	Rana Salada Fed 01 - J Pad	**North Reference:**	Grid
Well:	Rana Salada Fed 01 231H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project Eddy County, New Mexico (NAD 83)

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Rana Salada Fed 01 - J Pad

Site Position:		**Northing:**	488,169.35 usft	**Latitude:**	32.341726
From:	Map	**Easting:**	629,467.76 usft	**Longitude:**	-104.047969
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.153 °

Well Rana Salada Fed 01 231H

Well Position	**+N/-S**	-41.42 usft	**Northing:**	488,127.93 usft	**Latitude:**	32.341613
	+E/-W	-150.08 usft	**Easting:**	629,317.68 usft	**Longitude:**	-104.048455
Position Uncertainty		0.00 usft	**Wellhead Elevation:**		**Ground Level:**	3,069.10 usft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM2020	5/1/2020	7.000	60.067	47,830.10

Design Design #1

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	91.82

Plan Survey Tool Program **Date** 4/7/2020

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	16,209.27	Design #1 (Wellbore #1)	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	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.000	
2,168.17	13.36	256.89	2,162.13	-17.60	-75.54	2.00	2.00	0.00	256.885	
5,123.94	13.36	256.89	5,037.87	-172.61	-740.88	0.00	0.00	0.00	0.000	
5,792.11	0.00	0.01	5,700.00	-190.21	-816.43	2.00	-2.00	0.00	180.000	
10,098.16	0.00	0.01	10,006.04	-190.21	-816.43	0.00	0.00	0.00	0.000	
10,998.16	90.00	89.68	10,579.00	-187.04	-243.48	10.00	10.00	0.00	89.683	
16,209.27	90.00	89.68	10,579.00	-158.19	4,967.55	0.00	0.00	0.00	0.000	PBHL - Rana Salad

NOVO

MS Directional
Planning Report

MS Directional

Database:	EDM 5000.15 Conroe DB	**Local Co-ordinate Reference:**	Well Rana Salada Fed 01 231H
Company:	Novo Oil & Gas, LLC	**TVD Reference:**	WELL @ 3094.10usft (25' RKB)
Project:	Eddy County, New Mexico (NAD 83)	**MD Reference:**	WELL @ 3094.10usft (25' RKB)
Site:	Rana Salada Fed 01 - J Pad	**North Reference:**	Grid
Well:	Rana Salada Fed 01 231H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
214.10	0.00	0.00	214.10	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP, 2.00°/100' Build									
1,600.00	2.00	256.89	1,599.98	-0.40	-1.70	-1.69	2.00	2.00	0.00
1,700.00	4.00	256.89	1,699.84	-1.58	-6.80	-6.74	2.00	2.00	0.00
1,800.00	6.00	256.89	1,799.45	-3.56	-15.28	-15.16	2.00	2.00	0.00
1,900.00	8.00	256.89	1,898.70	-6.33	-27.15	-26.94	2.00	2.00	0.00
2,000.00	10.00	256.89	1,997.47	-9.88	-42.39	-42.05	2.00	2.00	0.00
2,100.00	12.00	256.89	2,095.62	-14.20	-60.97	-60.49	2.00	2.00	0.00
2,168.17	13.36	256.89	2,162.13	-17.60	-75.54	-74.95	2.00	2.00	0.00
Hold 13.36° Inc, 256.89° Azm									
2,200.00	13.36	256.89	2,193.10	-19.27	-82.71	-82.05	0.00	0.00	0.00
2,300.00	13.36	256.89	2,290.39	-24.51	-105.22	-104.39	0.00	0.00	0.00
2,400.00	13.36	256.89	2,387.68	-29.76	-127.73	-126.72	0.00	0.00	0.00
2,500.00	13.36	256.89	2,484.97	-35.00	-150.24	-149.05	0.00	0.00	0.00
2,600.00	13.36	256.89	2,582.27	-40.25	-172.75	-171.38	0.00	0.00	0.00
2,700.00	13.36	256.89	2,679.56	-45.49	-195.26	-193.71	0.00	0.00	0.00
2,786.89	13.36	256.89	2,764.10	-50.05	-214.82	-213.12	0.00	0.00	0.00
Bell Canyon (base of salt)									
2,800.00	13.36	256.89	2,776.85	-50.74	-217.77	-216.04	0.00	0.00	0.00
2,900.00	13.36	256.89	2,874.14	-55.98	-240.28	-238.37	0.00	0.00	0.00
3,000.00	13.36	256.89	2,971.44	-61.22	-262.79	-260.71	0.00	0.00	0.00
3,100.00	13.36	256.89	3,068.73	-66.47	-285.30	-283.04	0.00	0.00	0.00
3,200.00	13.36	256.89	3,166.02	-71.71	-307.81	-305.37	0.00	0.00	0.00
3,300.00	13.36	256.89	3,263.31	-76.96	-330.32	-327.70	0.00	0.00	0.00
3,400.00	13.36	256.89	3,360.61	-82.20	-352.83	-350.03	0.00	0.00	0.00
3,500.00	13.36	256.89	3,457.90	-87.44	-375.34	-372.36	0.00	0.00	0.00
3,600.00	13.36	256.89	3,555.19	-92.69	-397.85	-394.70	0.00	0.00	0.00
3,700.00	13.36	256.89	3,652.48	-97.93	-420.36	-417.03	0.00	0.00	0.00
3,800.00	13.36	256.89	3,749.77	-103.18	-442.87	-439.36	0.00	0.00	0.00
3,835.28	13.36	256.89	3,784.10	-105.03	-450.81	-447.24	0.00	0.00	0.00
Cherry Canyon									
3,900.00	13.36	256.89	3,847.07	-108.42	-465.38	-461.69	0.00	0.00	0.00
4,000.00	13.36	256.89	3,944.36	-113.67	-487.89	-484.02	0.00	0.00	0.00
4,100.00	13.36	256.89	4,041.65	-118.91	-510.40	-506.35	0.00	0.00	0.00
4,200.00	13.36	256.89	4,138.94	-124.15	-532.91	-528.68	0.00	0.00	0.00
4,300.00	13.36	256.89	4,236.24	-129.40	-555.42	-551.02	0.00	0.00	0.00

NOVO

MS Directional
Planning Report

MS Directional

Database:	EDM 5000.15 Conroe DB	**Local Co-ordinate Reference:**	Well Rana Salada Fed 01 231H
Company:	Novo Oil & Gas, LLC	**TVD Reference:**	WELL @ 3094.10usft (25' RKB)
Project:	Eddy County, New Mexico (NAD 83)	**MD Reference:**	WELL @ 3094.10usft (25' RKB)
Site:	Rana Salada Fed 01 - J Pad	**North Reference:**	Grid
Well:	Rana Salada Fed 01 231H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,400.00	13.36	256.89	4,333.53	-134.64	-577.93	-573.35	0.00	0.00	0.00
4,500.00	13.36	256.89	4,430.82	-139.89	-600.44	-595.68	0.00	0.00	0.00
4,600.00	13.36	256.89	4,528.11	-145.13	-622.95	-618.01	0.00	0.00	0.00
4,700.00	13.36	256.89	4,625.41	-150.38	-645.46	-640.34	0.00	0.00	0.00
4,800.00	13.36	256.89	4,722.70	-155.62	-667.97	-662.67	0.00	0.00	0.00
4,900.00	13.36	256.89	4,819.99	-160.86	-690.47	-685.01	0.00	0.00	0.00
5,000.00	13.36	256.89	4,917.28	-166.11	-712.98	-707.34	0.00	0.00	0.00
5,100.00	13.36	256.89	5,014.58	-171.35	-735.49	-729.67	0.00	0.00	0.00
5,123.94	13.36	256.89	5,037.87	-172.61	-740.88	-735.02	0.00	0.00	0.00
Begin 2.00°/100' Drop									
5,200.00	11.84	256.89	5,112.09	-176.37	-757.05	-751.05	2.00	-2.00	0.00
5,300.00	9.84	256.89	5,210.30	-180.64	-775.36	-769.22	2.00	-2.00	0.00
5,324.14	9.36	256.89	5,234.10	-181.56	-779.29	-773.11	2.00	-2.00	0.00
Brushy Canyon*									
5,400.00	7.84	256.89	5,309.11	-184.13	-790.33	-784.07	2.00	-2.00	0.00
5,500.00	5.84	256.89	5,408.39	-186.83	-801.94	-795.58	2.00	-2.00	0.00
5,600.00	3.84	256.89	5,508.03	-188.75	-810.16	-803.74	2.00	-2.00	0.00
5,700.00	1.84	256.89	5,607.90	-189.87	-814.99	-808.53	2.00	-2.00	0.00
5,792.11	0.00	0.01	5,700.00	-190.21	-816.43	-809.96	2.00	-2.00	0.00
Begin Vertical Hold									
5,800.00	0.00	0.00	5,707.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
5,900.00	0.00	0.00	5,807.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,000.00	0.00	0.00	5,907.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,100.00	0.00	0.00	6,007.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,200.00	0.00	0.00	6,107.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,300.00	0.00	0.00	6,207.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,396.21	0.00	0.00	6,304.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
Bone Spring Lime*									
6,400.00	0.00	0.00	6,307.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,500.00	0.00	0.00	6,407.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,600.00	0.00	0.00	6,507.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,700.00	0.00	0.00	6,607.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,800.00	0.00	0.00	6,707.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
6,900.00	0.00	0.00	6,807.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,000.00	0.00	0.00	6,907.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,076.21	0.00	0.00	6,984.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
Lower Avalon*									
7,100.00	0.00	0.00	7,007.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,200.00	0.00	0.00	7,107.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,300.00	0.00	0.00	7,207.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,400.00	0.00	0.00	7,307.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,496.21	0.00	0.00	7,404.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
1st Bone Spring Sand*									
7,500.00	0.00	0.00	7,407.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,600.00	0.00	0.00	7,507.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,700.00	0.00	0.00	7,607.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,746.21	0.00	0.00	7,654.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
2nd Bone Spring Carbonate									
7,800.00	0.00	0.00	7,707.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
7,900.00	0.00	0.00	7,807.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,000.00	0.00	0.00	7,907.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,100.00	0.00	0.00	8,007.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,200.00	0.00	0.00	8,107.89	-190.21	-816.43	-809.96	0.00	0.00	0.00

NOVO

MS Directional
Planning Report

MS Directional

Database:	EDM 5000.15 Conroe DB	**Local Co-ordinate Reference:**	Well Rana Salada Fed 01 231H
Company:	Novo Oil & Gas, LLC	**TVD Reference:**	WELL @ 3094.10usft (25' RKB)
Project:	Eddy County, New Mexico (NAD 83)	**MD Reference:**	WELL @ 3094.10usft (25' RKB)
Site:	Rana Salada Fed 01 - J Pad	**North Reference:**	Grid
Well:	Rana Salada Fed 01 231H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,201.21	0.00	0.00	8,109.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
2nd Bone Spring Sand*									
8,300.00	0.00	0.00	8,207.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,400.00	0.00	0.00	8,307.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,500.00	0.00	0.00	8,407.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,566.21	0.00	0.00	8,474.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
3rd Bone Spring Carbonate									
8,600.00	0.00	0.00	8,507.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,700.00	0.00	0.00	8,607.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,800.00	0.00	0.00	8,707.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
8,900.00	0.00	0.00	8,807.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,000.00	0.00	0.00	8,907.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,100.00	0.00	0.00	9,007.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,200.00	0.00	0.00	9,107.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,300.00	0.00	0.00	9,207.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,400.00	0.00	0.00	9,307.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,446.21	0.00	0.00	9,354.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
3rd Bone Spring Sand*									
9,500.00	0.00	0.00	9,407.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,600.00	0.00	0.00	9,507.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,700.00	0.00	0.00	9,607.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,756.21	0.00	0.00	9,664.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
Wolfcamp XY*									
9,800.00	0.00	0.00	9,707.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,900.00	0.00	0.00	9,807.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
9,901.21	0.00	0.00	9,809.10	-190.21	-816.43	-809.96	0.00	0.00	0.00
Wolfcamp A*									
9,971.11	0.00	0.00	9,879.00	-190.21	-816.43	-809.96	0.00	0.00	0.00
9 5/8"									
10,000.00	0.00	0.00	9,907.89	-190.21	-816.43	-809.96	0.00	0.00	0.00
10,098.16	0.00	0.00	10,006.04	-190.21	-816.43	-809.96	0.00	0.00	0.00
Begin 10.00°/100' Build									
10,100.00	0.18	89.68	10,007.89	-190.21	-816.43	-809.96	10.00	10.00	0.00
10,161.34	6.32	89.68	10,069.10	-190.19	-812.95	-806.48	10.00	10.00	0.00
Wolfcamp B									
10,200.00	10.18	89.68	10,107.35	-190.16	-807.40	-800.94	10.00	10.00	0.00
10,300.00	20.18	89.68	10,203.74	-190.01	-781.24	-774.80	10.00	10.00	0.00
10,400.00	30.18	89.68	10,294.12	-189.78	-738.74	-732.33	10.00	10.00	0.00
10,500.00	40.18	89.68	10,375.74	-189.46	-681.20	-674.82	10.00	10.00	0.00
10,552.29	45.41	89.68	10,414.10	-189.26	-645.68	-639.33	10.00	10.00	0.00
Wolfcamp B Flow Unit*									
10,600.00	50.18	89.68	10,446.14	-189.07	-610.35	-604.02	10.00	10.00	0.00
10,700.00	60.18	89.68	10,503.16	-188.61	-528.36	-522.09	10.00	10.00	0.00
10,800.00	70.18	89.68	10,545.07	-188.11	-437.71	-431.50	10.00	10.00	0.00
10,900.00	80.18	89.68	10,570.61	-187.58	-341.16	-335.01	10.00	10.00	0.00
10,998.16	90.00	89.68	10,579.00	-187.04	-243.48	-237.40	10.00	10.00	0.00
Begin 90.00° Lateral									
11,000.00	90.00	89.68	10,579.00	-187.03	-241.64	-235.56	0.00	0.00	0.00
11,100.00	90.00	89.68	10,579.00	-186.47	-141.64	-135.63	0.00	0.00	0.00
11,200.00	90.00	89.68	10,579.00	-185.92	-41.64	-35.70	0.00	0.00	0.00
11,300.00	90.00	89.68	10,579.00	-185.37	58.36	64.23	0.00	0.00	0.00
11,400.00	90.00	89.68	10,579.00	-184.81	158.36	164.16	0.00	0.00	0.00

NOVO

MS Directional
Planning Report

MS Directional

Database:	EDM 5000.15 Conroe DB	**Local Co-ordinate Reference:**	Well Rana Salada Fed 01 231H
Company:	Novo Oil & Gas, LLC	**TVD Reference:**	WELL @ 3094.10usft (25' RKB)
Project:	Eddy County, New Mexico (NAD 83)	**MD Reference:**	WELL @ 3094.10usft (25' RKB)
Site:	Rana Salada Fed 01 - J Pad	**North Reference:**	Grid
Well:	Rana Salada Fed 01 231H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
11,500.00	90.00	89.68	10,579.00	-184.26	258.36	264.09	0.00	0.00	0.00
11,600.00	90.00	89.68	10,579.00	-183.71	358.35	364.02	0.00	0.00	0.00
11,700.00	90.00	89.68	10,579.00	-183.15	458.35	463.95	0.00	0.00	0.00
11,800.00	90.00	89.68	10,579.00	-182.60	558.35	563.88	0.00	0.00	0.00
11,900.00	90.00	89.68	10,579.00	-182.05	658.35	663.81	0.00	0.00	0.00
12,000.00	90.00	89.68	10,579.00	-181.49	758.35	763.74	0.00	0.00	0.00
12,100.00	90.00	89.68	10,579.00	-180.94	858.35	863.67	0.00	0.00	0.00
12,200.00	90.00	89.68	10,579.00	-180.38	958.34	963.60	0.00	0.00	0.00
12,300.00	90.00	89.68	10,579.00	-179.83	1,058.34	1,063.53	0.00	0.00	0.00
12,400.00	90.00	89.68	10,579.00	-179.28	1,158.34	1,163.46	0.00	0.00	0.00
12,500.00	90.00	89.68	10,579.00	-178.72	1,258.34	1,263.39	0.00	0.00	0.00
12,600.00	90.00	89.68	10,579.00	-178.17	1,358.34	1,363.32	0.00	0.00	0.00
12,700.00	90.00	89.68	10,579.00	-177.62	1,458.34	1,463.25	0.00	0.00	0.00
12,800.00	90.00	89.68	10,579.00	-177.06	1,558.34	1,563.18	0.00	0.00	0.00
12,900.00	90.00	89.68	10,579.00	-176.51	1,658.33	1,663.11	0.00	0.00	0.00
13,000.00	90.00	89.68	10,579.00	-175.96	1,758.33	1,763.04	0.00	0.00	0.00
13,100.00	90.00	89.68	10,579.00	-175.40	1,858.33	1,862.97	0.00	0.00	0.00
13,200.00	90.00	89.68	10,579.00	-174.85	1,958.33	1,962.90	0.00	0.00	0.00
13,300.00	90.00	89.68	10,579.00	-174.30	2,058.33	2,062.83	0.00	0.00	0.00
13,400.00	90.00	89.68	10,579.00	-173.74	2,158.33	2,162.76	0.00	0.00	0.00
13,500.00	90.00	89.68	10,579.00	-173.19	2,258.32	2,262.69	0.00	0.00	0.00
13,600.00	90.00	89.68	10,579.00	-172.63	2,358.32	2,362.62	0.00	0.00	0.00
13,700.00	90.00	89.68	10,579.00	-172.08	2,458.32	2,462.55	0.00	0.00	0.00
13,800.00	90.00	89.68	10,579.00	-171.53	2,558.32	2,562.48	0.00	0.00	0.00
13,900.00	90.00	89.68	10,579.00	-170.97	2,658.32	2,662.41	0.00	0.00	0.00
14,000.00	90.00	89.68	10,579.00	-170.42	2,758.32	2,762.34	0.00	0.00	0.00
14,100.00	90.00	89.68	10,579.00	-169.87	2,858.32	2,862.27	0.00	0.00	0.00
14,200.00	90.00	89.68	10,579.00	-169.31	2,958.31	2,962.20	0.00	0.00	0.00
14,300.00	90.00	89.68	10,579.00	-168.76	3,058.31	3,062.13	0.00	0.00	0.00
14,400.00	90.00	89.68	10,579.00	-168.21	3,158.31	3,162.06	0.00	0.00	0.00
14,500.00	90.00	89.68	10,579.00	-167.65	3,258.31	3,261.99	0.00	0.00	0.00
14,600.00	90.00	89.68	10,579.00	-167.10	3,358.31	3,361.93	0.00	0.00	0.00
14,700.00	90.00	89.68	10,579.00	-166.54	3,458.31	3,461.86	0.00	0.00	0.00
14,800.00	90.00	89.68	10,579.00	-165.99	3,558.31	3,561.79	0.00	0.00	0.00
14,900.00	90.00	89.68	10,579.00	-165.44	3,658.30	3,661.72	0.00	0.00	0.00
15,000.00	90.00	89.68	10,579.00	-164.88	3,758.30	3,761.65	0.00	0.00	0.00
15,100.00	90.00	89.68	10,579.00	-164.33	3,858.30	3,861.58	0.00	0.00	0.00
15,200.00	90.00	89.68	10,579.00	-163.78	3,958.30	3,961.51	0.00	0.00	0.00
15,300.00	90.00	89.68	10,579.00	-163.22	4,058.30	4,061.44	0.00	0.00	0.00
15,400.00	90.00	89.68	10,579.00	-162.67	4,158.30	4,161.37	0.00	0.00	0.00
15,500.00	90.00	89.68	10,579.00	-162.12	4,258.29	4,261.30	0.00	0.00	0.00
15,600.00	90.00	89.68	10,579.00	-161.56	4,358.29	4,361.23	0.00	0.00	0.00
15,700.00	90.00	89.68	10,579.00	-161.01	4,458.29	4,461.16	0.00	0.00	0.00
15,800.00	90.00	89.68	10,579.00	-160.46	4,558.29	4,561.09	0.00	0.00	0.00
15,900.00	90.00	89.68	10,579.00	-159.90	4,658.29	4,661.02	0.00	0.00	0.00
16,000.00	90.00	89.68	10,579.00	-159.35	4,758.29	4,760.95	0.00	0.00	0.00
16,100.00	90.00	89.68	10,579.00	-158.79	4,858.29	4,860.88	0.00	0.00	0.00
16,200.00	90.00	89.68	10,579.00	-158.24	4,958.28	4,960.81	0.00	0.00	0.00
16,209.27	90.00	89.68	10,579.00	-158.19	4,967.55	4,970.07	0.00	0.00	0.00
PBHL									

NOVO

MS Directional
Planning Report

MS Directional

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Project:	Eddy County, New Mexico (NAD 83)	**MD Reference:**	WELL @ 3094.10usft (25' RKB)
Site:	Rana Salada Fed 01 - J Pad	**North Reference:**	Grid
Well:	Rana Salada Fed 01 231H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL - Rana Salada I - plan hits target center - Point	0.00	0.00	10,579.00	-158.19	4,967.55	487,969.74	634,285.23	32.341141	-104.032372
FTP - Rana Salada Fe - plan hits target center - Point	0.00	0.00	10,579.00	-185.21	86.51	487,942.72	629,404.20	32.341104	-104.048176
LTP - Rana Salada Fe - plan misses target center by 0.73usft at 16009.31usft MD (10579.00 TVD, -159.30 N, 4767.59 E) - Point	0.00	0.00	10,579.00	-158.56	4,767.59	487,969.37	634,085.27	32.341142	-104.033019

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
9,971.11	9,879.00	9 5/8"	9-5/8	12-1/4

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
214.10	214.10	Rustler			
2,786.89	2,764.10	Bell Canyon (base of salt)			
3,835.28	3,784.10	Cherry Canyon			
5,324.14	5,234.10	Brushy Canyon*			
6,396.21	6,304.10	Bone Spring Lime*			
7,076.21	6,984.10	Lower Avalon*			
7,496.21	7,404.10	1st Bone Spring Sand*			
7,746.21	7,654.10	2nd Bone Spring Carbonate			
8,201.21	8,109.10	2nd Bone Spring Sand*			
8,566.21	8,474.10	3rd Bone Spring Carbonate			
9,446.21	9,354.10	3rd Bone Spring Sand*			
9,756.21	9,664.10	Wolfcamp XY*			
9,901.21	9,809.10	Wolfcamp A*			
10,161.34	10,069.10	Wolfcamp B			
10,552.29	10,414.10	Wolfcamp B Flow Unit*			

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,500.00	1,500.00	0.00	0.00	KOP, 2.00°/100' Build
2,168.17	2,162.13	-17.60	-75.54	Hold 13.36° Inc, 256.89° Azm
5,123.94	5,037.87	-172.61	-740.88	Begin 2.00°/100' Drop
5,792.11	5,700.00	-190.21	-816.43	Begin Vertical Hold
10,098.16	10,006.04	-190.21	-816.43	Begin 10.00°/100' Build
10,998.16	10,579.00	-187.04	-243.48	Begin 90.00° Lateral
16,209.27	10,579.00	-158.19	4,967.55	PBHL

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME: Novo Oil & Gas Delaware, LLC
LEASE NO.: NMNM 091078
LOCATION: Section 1, T. 23 S., R. 28 E.
COUNTY: Eddy County, New Mexico

RANA SALADA FED COM 0605 135H
Surface Hole Location: 2449' FNL & 210' FEL, Section 1, T. 23 S., R. 28 E.
Bottom Hole Location: 2310' FNL & 10' FEL, Section 5, T. 23 S, R 29 E.

RANA SALADA FED COM 0605 145H
Surface Hole Location: 2440' FNL & 230' FEL, Section 1, T. 23 S., R. 28 E.
Bottom Hole Location: 2178' FNL & 10' FEL, Section 5, T. 23 S, R 29 E.

RANA SALADA FED COM 0605 215H
Surface Hole Location: 2440' FNL & 250' FEL, Section 1, T. 23 S., R. 28 E.
Bottom Hole Location: 1914' FNL & 130' FEL, Section 5, T. 23 S, R 29 E.

RANA SALADA FED COM 0605 225H
Surface Hole Location: 2440' FNL & 290' FEL, Section 1, T. 23 S., R. 28 E.
Bottom Hole Location: 2310' FSL & 130' FEL, Section 5, T. 23 S, R 29 E.

RANA SALADA FED COM 0605 235H
Surface Hole Location: 2440' FNL & 270' FEL, Section 1, T. 23 S., R. 28 E.
Bottom Hole Location: 2178' FNL & 130' FEL, Section 5, T. 23 S, R 29 E.

Approval Date: 06/04/2021

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

I. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the

expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

II. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

III. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

IV. SPECIAL REQUIREMENT(S)

Hydrology:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within

the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, or floodplains and must span across the features at a distance away that would not promote further erosion.

Potash Resources:

Lessees must comply with the 2012Secretarial Potash Order. The Order is designed to manage the efficient development of oil, gas, and potash resources. Section 6 of the Order provides general provisions which must be followed to minimize conflict between the industries and ensure the safety of operations.

To minimize impacts to potash resources, the proposed well is confined within the boundaries of the established Rana Salada 01 Drill Island.

Cave/Karst:

Construction:

General Construction:

- No blasting
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction, and no additional construction shall occur until clearance has been issued by the Authorized Officer.
- All linear surface disturbance activities will avoid sinkholes and other karst features to lessen the possibility of encountering near surface voids during construction, minimize changes to runoff, and prevent untimely leaks and spills from entering the karst drainage system.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Pad Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.

- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Tank Battery Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- All tank battery locations and facilities will be lined and bermed.
- The liner should be at least 20 mil in thickness and installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures.
- Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Road Construction:

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.

Leak Detection System:

- A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present.

- A leak detection plan will be submitted to BLM that incorporates an automatic shut off system (see below) to minimize the effects of an undesirable event that could negatively sensitive cave/karst resources.
- Well heads, pipelines (surface and buried), storage tanks, and all supporting equipment should be monitored regularly after installation to promptly identify and fix leaks.

Automatic Shut-off Systems:

- Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and groundwater concerns:

Closed Loop System:

- A closed loop system using steel tanks will be utilized during drilling – no pits
- All fluids and cuttings will be hauled off-site and disposed of properly at an authorized site

Rotary Drilling with Fresh Water:

- Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

- The kick off point for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

- ALL lost circulation zones between surface and the base of the cave occurrence zone will be logged and reported in the drilling report.
- If a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, regardless of the type of drilling machinery used, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

- Additional plugging conditions of approval may be required upon well abandonment in high and medium karst potential occurrence zones.
- The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

- The operator will perform annual pressure monitoring on all casing annuli and reported in a sundry notice.
- If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

V. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

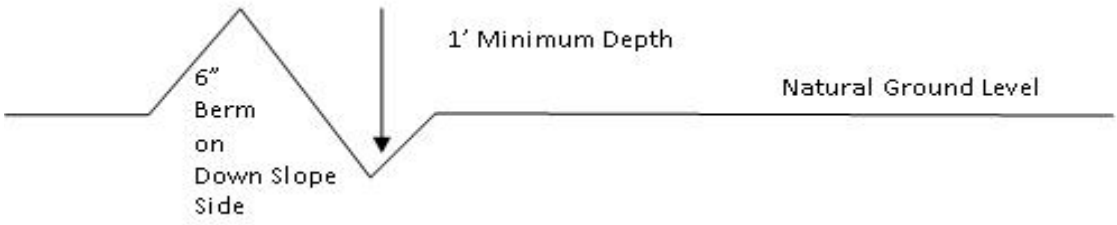
Ditching
Ditching shall be required on both sides of the road.

Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage
Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

Cattle guards
An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have

deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement
Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

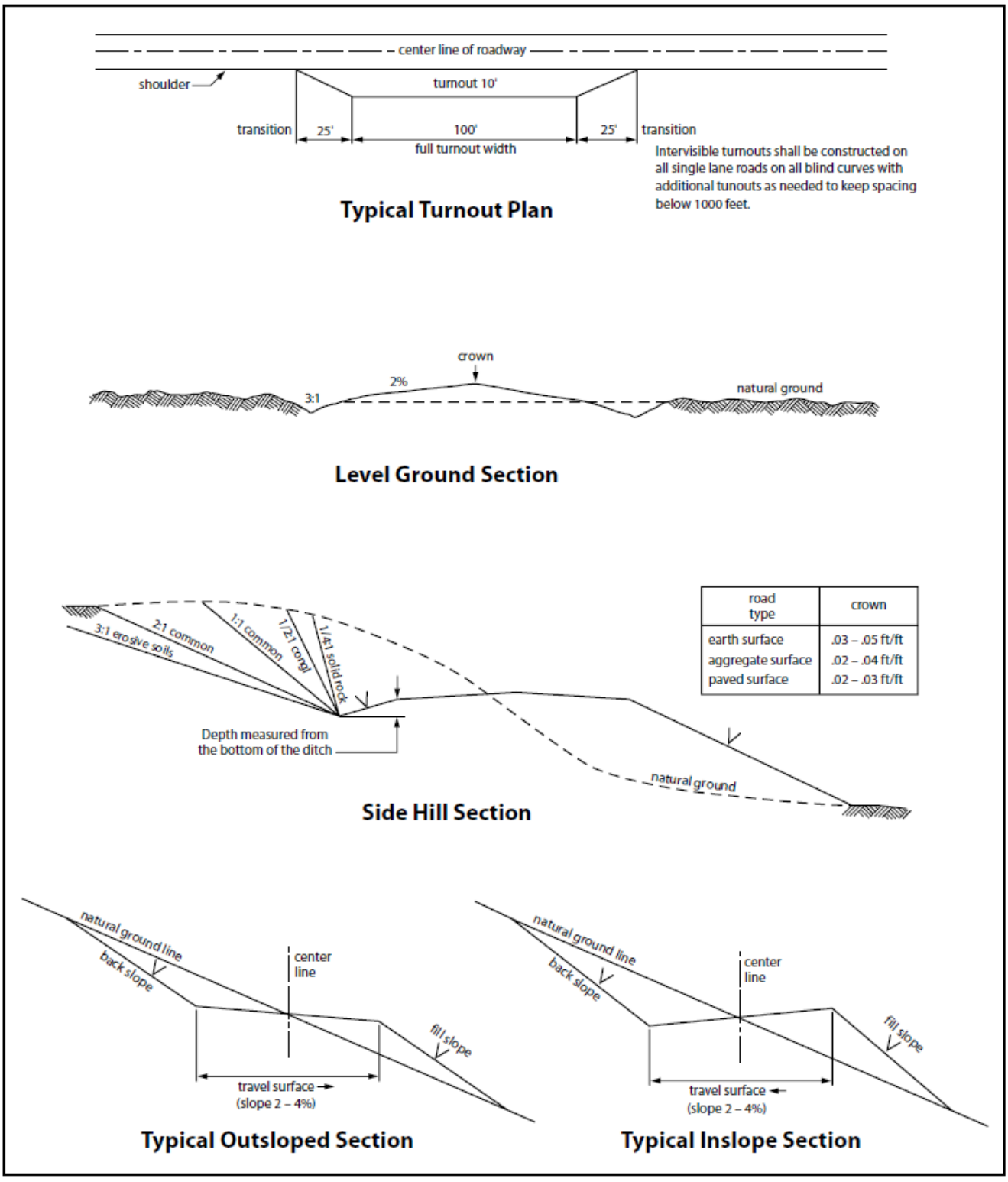


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

Approval Date: 06/04/2021

VI. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone*.) Production

equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

VIII. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Approval Date: 06/04/2021

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**NOVO OIL AND GAS**
LEASE NO.:	**NMNM091078**
WELL NAME & NO.:	**RANA SALADA 01 Fed 231H**
SURFACE HOLE FOOTAGE:	**144'/N & 243'/W**
BOTTOM HOLE FOOTAGE	**330'/N & 130'/E**
LOCATION:	**Section 1, T.23 S., R.28 E., NMPM**
COUNTY:	**Eddy County, New Mexico**

COA

H2S	○ Yes	◉ No	
Potash	○ None	◉ Secretary	○ R-111-P
Cave/Karst Potential	○ Low	○ Medium	◉ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☐ COM	☐ Unit

A. HYDROGEN SULFIDE

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

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **350** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
    b. Wait on cement (WOC) time for a primary cement job will be a minimum of

24 hours in the Potash Area or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The **8-5/8** inch surface casing shall be set at approximately **2,700** feet. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

❖ In Secretary Potash Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Alternate Production casing has been reviewed and approved.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification. **Additional cement will be required.**

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
c. Manufacturer representative shall install the test plug for the initial BOP test.

d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a

larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
    e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been

done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

e. The results of the test shall be reported to the appropriate BLM office.

f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test

does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

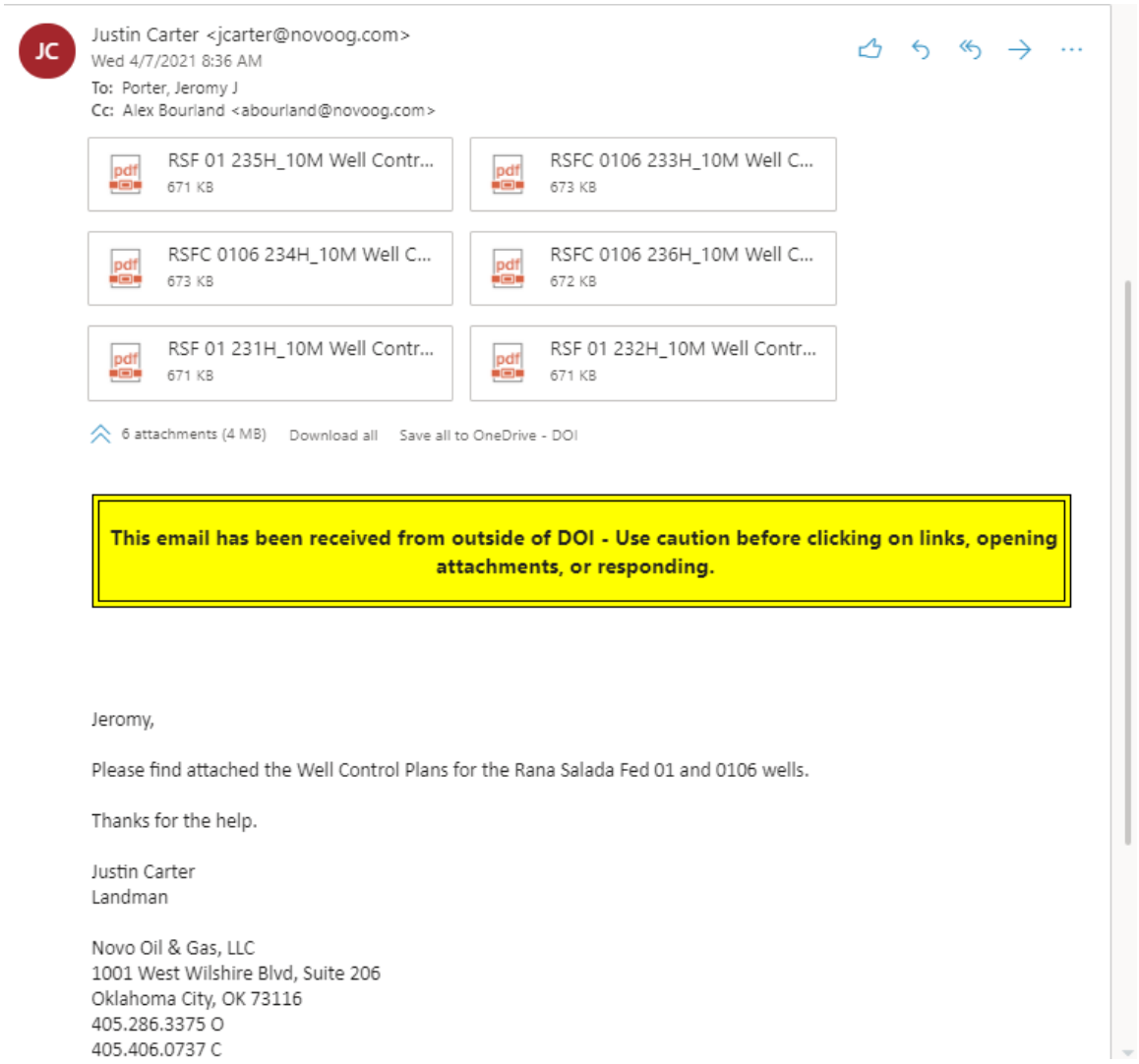
Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

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

JJP04092021



JC

Justin Carter <jcarter@novoog.com>
Wed 4/7/2021 8:36 AM
To: Porter, Jeromy J
Cc: Alex Bourland <abourland@novoog.com>

RSF 01 235H_10M Well Contr... 671 KB
RSFC 0106 233H_10M Well C... 673 KB
RSFC 0106 234H_10M Well C... 673 KB
RSFC 0106 236H_10M Well C... 672 KB
RSF 01 231H_10M Well Contr... 671 KB
RSF 01 232H_10M Well Contr... 671 KB

6 attachments (4 MB) Download all Save all to OneDrive - DOI

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Jeromy,

Please find attached the Well Control Plans for the Rana Salada Fed 01 and 0106 wells.

Thanks for the help.

Justin Carter
Landman

Novo Oil & Gas, LLC
1001 West Wilshire Blvd, Suite 206
Oklahoma City, OK 73116
405.286.3375 O
405.406.0737 C

Rana Salada Fed 01 231H

10,000 PSI BOP Annular
Variance Request

NOVO Oil & Gas request a variance to use a 5000 psi annular BOP with a 10,000 psi BOP stack. The component and compatibility tables along with the general well control plans demonstrate how the
5000 psi annular BOP will be protected from pressures that exceed its rated working pressure (RWP).The Annular will be tested to 100% of the RWP of 5,000 psi.

1. Component and Preventer Compatibility Tables

The tables below outlines the tubulars and the compatible preventers in use. This table, combined with the drilling fluid, documents that two barriers to flow will be maintained at all times.

12-1/4" Intermediate Hole Section (R-111-P/4-string design only) 10M psi requirement					
Component	**OD**	**Primary Preventer**	**RWP**	**Alternate Preventer(s)**	**RWP**
Drillpipe	5.000"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
HWDP	5.000"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M

9-7/8" Intermediate Hole Section 10M psi requirement					
Component	**OD**	**Primary Preventer**	**RWP**	**Alternate Preventer(s)**	**RWP**
Drillpipe	5.000"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
HWDP	5.000"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	l0M l0M
Jars	6.500"	Annular	5M	-	-
DCs and MWD tools	8.000"	Annular	5M	-	-
Mud Motor	8.000"	Annular	5M	-	-
2nd Intermediate casing	8.625"	Annular	5M	-	-
Open-hole	-	Blind Rams	l0M	-	-

Jars	6.500"	Annular	5M	-	-
DCs and MWD tools	6.500" - 8.000"	Annular	5M	-	-
Mud Motor	8.000" - 9.625"	Annular	5M	-	-
1 st Intermediate casing	10.750"	Annular	5M	-	-
Open-hole	-	Blind Rams	l0M	-	-

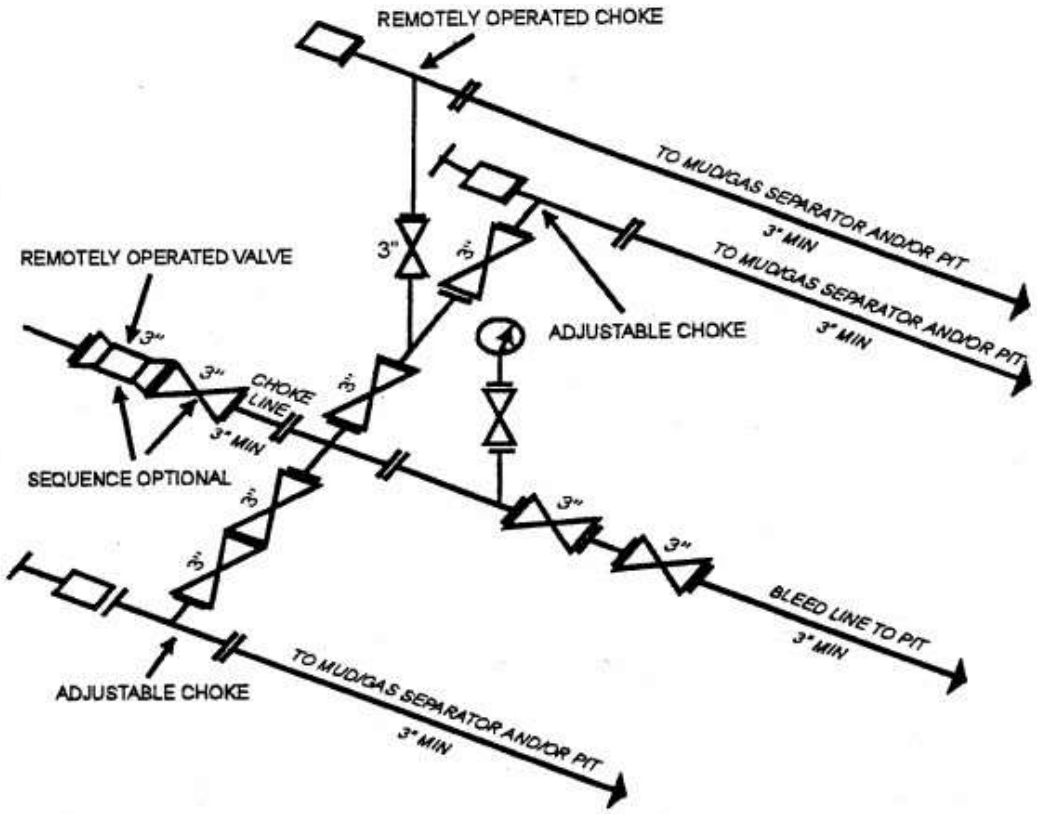
7-7/8" Production Hole Section
10M psi requirement

Component	OD	Primary Preventer	RWP	Alternate Preventer(s)	RWP
Drillpipe	5.000"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	10M 10M
HWDP	5.000"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	l0M 10M
DCs and MWD tools	6.500"	Annular	5M	-	-
Mud Motor	6.500"	Annular	5M	-	-
Mud Motor	6.500"	Annular	5M	-	-
Production casing	5.500"	Annular	5M	Upper 3.5 - 5.5" VBR Lower 3.5 - 5.5" VBR	l0M l0M
Open-hole	-	Blind Rams	10M	-	-

VBR = Variable Bore

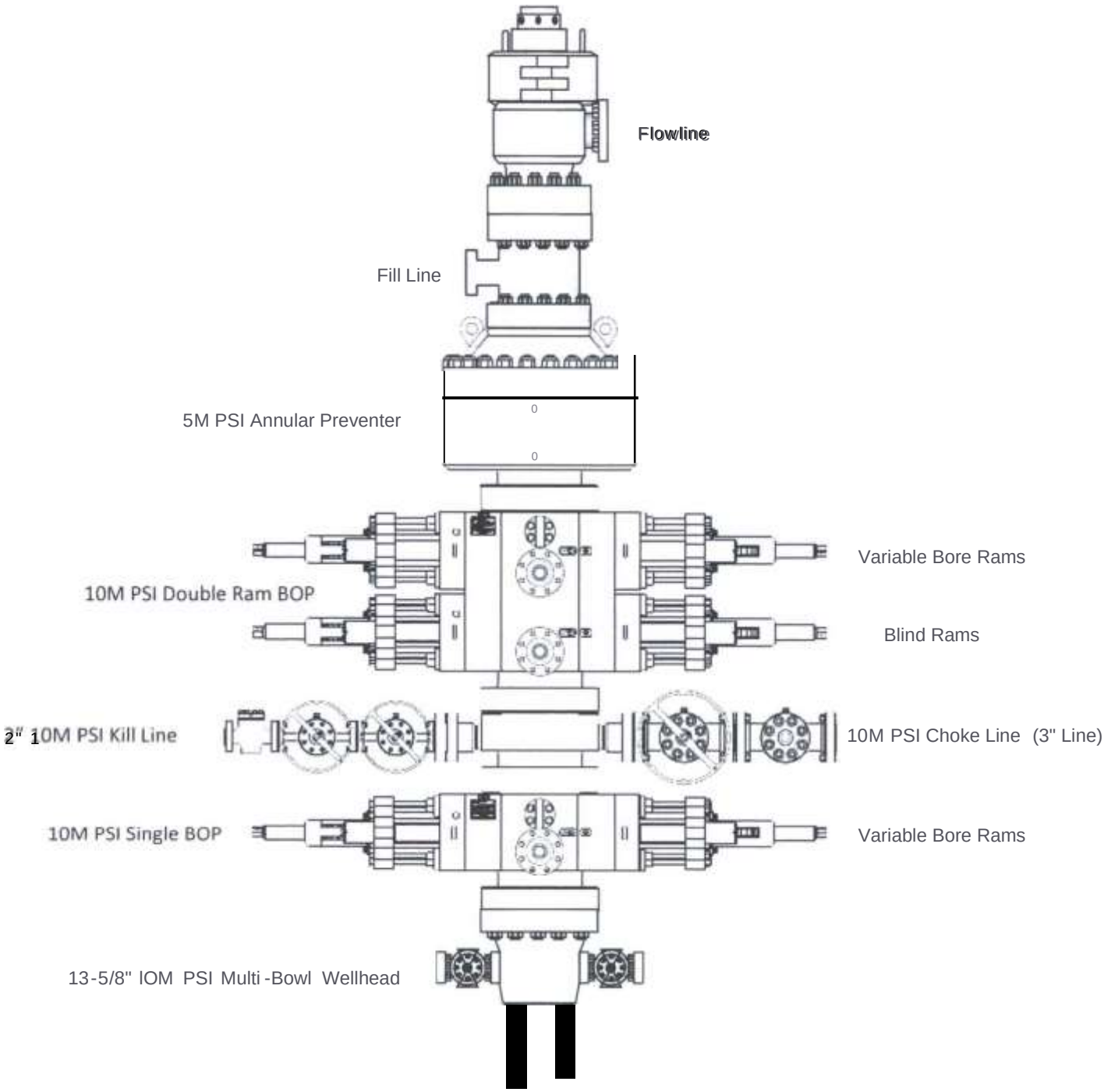
Ram 10M

Choke Manifold



10M AND 15M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[53 FR 49661, Dec. 9, 1988 and 54 FR 39528, Sept. 27, 1989]

Novo Oil & Gas
13-5/8" 10M PSI BOP Stack



Approval Date: 06/04/2021

2. Well Control Procedures

Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping , running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. At least one well control drill will be performed weekly per crew to demonstrate compliance with the procedure and well control plan. The well control drill will be recorded in the daily drilling log. The type of drill will be determined by the ongoing operations, but reasonable attempts will be made to vary the type of drill conducted (pit, trip, open hole, choke, etc.). This well control plan will be available for review by rig personnel in the NOVO drilling supervisor' s office on location, and on the rig floor. All BOP equipment will be tested as per Onshore O&G Order No. 2 with the exception including the 5000 psi annular which will be tested to 100% of its RWP.

General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps (stop pumps and rotary)
4. Shut-in Well (uppermost applicable BO P, typically annular preventer first. HC R and choke will already be in the closed posit ion.)
5. Confirm shut-in
6. Notify tool pusher/company representative
7. Read and record the following:
   a. SIDPP and S ICP
   b. Pit gain
   c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

Genera l Procedure While Tripping

1. Sound alarm (alert crew)
2. Stab full opening safety valve and close
3. Space out drill string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position .)
5. Confirm shut-in
6. Notify tool pusher/company representative
7. Read and record the fol lowing:
   a. SIDPP and SlCP
   b. Pit gain
   c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams .

General Procedure While Running Production Casing

I. Sound alarm (alert crew) 2. Stab crossover and full opening safety valve and close 3. Space out string

4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify tool pusher/company representative
7. Read and record the following:
    a. SIDPP and SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure With No Pipe In Hole (Open Hole)

1. Sound alarm (alert crew)
2. Shut-in with blind rams. (HCR and choke will already be in the closed position.)
3. Confirm shut-in
4. Notify tool pusher/company representative
5. Read and record the following:
    a. SICP
    b. Pit gain
    c. Time
6. Regroup and identify forward plan

General Procedures While Pulling BHA thru Stack

1 . PRIOR to pulling last joint of drillpipe thru the stack.
    a. Perform flowcheck , if flowing :
    b. Sound alarm (ale rt crew)
    c. Stab full opening safety valve and close
    d. Space out drill string with tool joint jus t beneath the upper variable bore rams .
    e. Shut-in using upper variable bore rams . (HCR and choke will already be in the closed position.)
    f. Confirm shut-in
    g. Notify toolpusher/company representative
    h. Read and record the following:
        1. SIDPP and SICP
        ii . Pit gain
        iii. Time

1. Regroup and identify forward plan

2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
    a. Sound alarm (alert crew)
    b. Stab crossover and full opening safety valve and close
    c. Space out drill string with upset just beneath the upper variable bore rams.
    d. Shut-in using upper variable bore rams. (HCR and choke will already be in the closed position.)
    e. Confirm shut-in
    f. Notify toolpusher/company representative
    g. Read and record the following:
        i. SIDPP and SICP

ii. Pit gain iii. Time

h. Regroup and identify forward plan

3. With BHA in the stack and NO compatib le ram preventer an pipe combo immediately available .

a. Sound alarm (alert crew)

b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.

c. If impossible to pick up high enough to pull the string clear of the stack:

d. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close

e. Space out drill string with tooljoint just beneath the upper variable bore ram.

f. Shut-in using upper variable bore ram. (HCR and choke will already be in the closed position.)

g. Confirm shut-in

h. Notify too l pusher/company representative

1. Read and record the following:

1. SIDPP and SICP ii.

Pit gain

iii . Time

J. Regroup and identify forward plan

Approval Date: 06/04/2021

NOVO

H_2S Drilling Operations Plan

a. All personnel will be trained in H_2S working conditions as required by Onshore Order 6 before drilling out of the surface casing.

b. Two briefing areas will be established. Each will be at least 150' from the wellhead, perpendicular from one another, and easily entered and exited. See H_2S page 5 for more details.

c. H_2S Safety Equipment/Systems:

i. Well Control Equipment

- Flare line will be ≥150' from the wellhead and ignited by a pilot light.
- Beware of SO_2 created by flaring.
- Choke manifold will include a remotely operated choke.
- Mud gas separator

ii. Protective Equipment for Essential Personnel

- Every person on site will be required to wear a personal H_2S and SO_2 monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the chest.
- One self-contained breathing apparatus (SCBA) 30-minute rescue pack will be at each briefing area. Two 30-minute SCBA packs will be stored in the safety trailer.
- Four work/escape packs will be on the rig floor. Each pack will have a long enough hose to allow unimpaired work activity.
- Four emergency escape packs will be in the doghouse for emergency evacuation.
- Hand signals will be used when wearing protective breathing apparatus.
- Stokes litter or stretcher
- Two full OSHA compliant body harnesses
- A 100-foot long x 5/8" OSHA compliant rope
- One 20-pound ABC fire extinguisher

iii. H_2S Detection & Monitoring Equipment

- Every person on site will be required to wear a personal H_2S and SO_2 monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the chest.
- A stationary detector with three sensors will be in the doghouse.
- Sensors will be installed on the rig floor, bell nipple, and at the end of the flow line or where drilling fluids are discharged.
- Visual alarm will be triggered at 10 ppm.
- Audible alarm will be triggered at 10 ppm.
- Calibration will occur at least every 30 days. Gas sample tubes will be kept in the safety trailer.

iv. Visual Warning System

- Color-coded H_2S condition sign will be set at the entrance to the pad.
- Color-coded condition flag will be installed to indicate current H_2S conditions.
- Two wind socks will be installed that will be visible from all sides.

v. Mud Program

- A water based mud with a pH of $\geq$10 will be maintained to control corrosion, H_2S gas returns to the surface, and minimize sulfide stress cracking and embrittlement.
- Drilling mud containing H_2S gas will be degassed at an optimum location for the rig configuration.
- This gas will be piped into the flare system.
- Enough mud additives will be on location to scavenge and/or neutralize H_2S where formation pressures are unknown.

vi. Metallurgy

- All equipment that has the potential to be exposed to H_2S will be suitable for H_2S service.
- Equipment that will meet these metallurgical standards include the drill string, casing, wellhead, BOP assembly, casing head and spool, rotating head, kill lines, choke, choke manifold and lines, valves, mud-gas separators, DST tools, test units, tubing, flanges, and other related equipment (elastomer packings and seals).

vii. Communication from well site

- Cell phones and/or two-way radios will be used to communicate from the well site.

d. A remote-controlled choke, mud-gas separator, and a rotating head will be installed before drilling or testing any formation expected to contain H_2S.

Company Personnel to be Notified

Kurt Shipley, Vice-President - Operations	Office: (405) 609-1596

Local & County Agencies

Loving Fire Department	911 or (575) 745-3600
Eddy County Sheriff (Carlsbad)	911 (575) 887-7551
Eddy County Emergency Management (Carlsbad)	(575) 887-9511
Carlsbad Medical Center Hospital	(575) 887-4100
Eddy County South Road Department (Carlsbad)	(575) 885-4835

State Agencies

NM State Police (Carlsbad)	(575) 885-3138
NM Oil Conservation (Artesia)	(575) 748-1283
NM Oil Conservation (Santa Fe)	(505) 476-3440
NM Dept. of Transportation (Roswell)	(575) 637-7201

Federal Agencies

BLM Carlsbad Field Office	(575) 234-5972
National Response Center	(800) 424-8802
US EPA Region 6 (Dallas)	(800) 887-6063
	(214) 665-6444

Residents within 3/4 mile

none

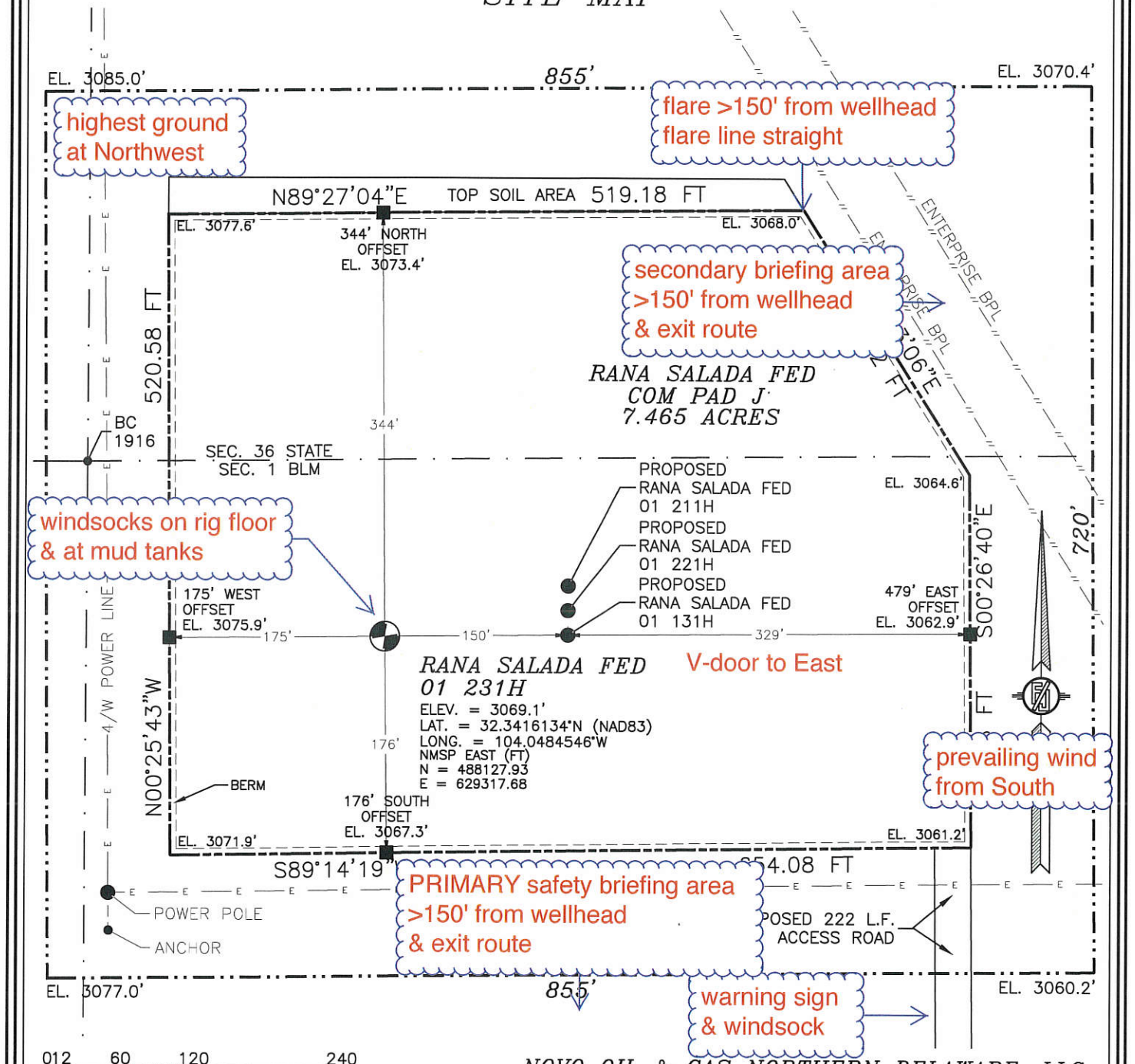
Air Evacuation

Med Flight Air Ambulance (Albuquerque)	(800) 842-4431
Lifeguard (Albuquerque)	(888) 866-7256

Veterinarians

Desert Willow Veterinary Services (Carlsbad)	(575) 885-3399
Animal Care Center (Carlsbad)	(575) 885-5352

SECTION 1, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
SITE MAP



012 60 120 240

SCALE 1" = 120'

DIRECTIONS TO LOCATION

FROM ST. HWY. 31 AND CR. 605 (REFINERY ROAD) GO NORTHWEST ON REFINERY ROAD 1.6 MILES, TURN RIGHT ON CALICHE LEASE ROAD AND GO NORTH 815', BEND RIGHT AND GO EAST-NORTHEAST 365' TO A ROAD SURVEY (NB) FOLLOW FLAGS NORTH 222' TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

I, FILIMON F. JARAMILLO, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND/OR PERSONALLY FOR THIS SURVEY; THAT THIS SURVEY WAS PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; AND THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

FILIMON F. JARAMILLO NO. 12797

NEW MEXICO FILIMON F. JARAMILLO 12797 REGISTERED PROFESSIONAL SURVEYOR

NOVO OIL & GAS NORTHERN DELAWARE, LLC

RANA SALADA FED 01 231H

LOCATED 144 FT. FROM THE NORTH LINE AND 243 FT. FROM THE WEST LINE OF SECTION 1, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

APRIL 21, 2020

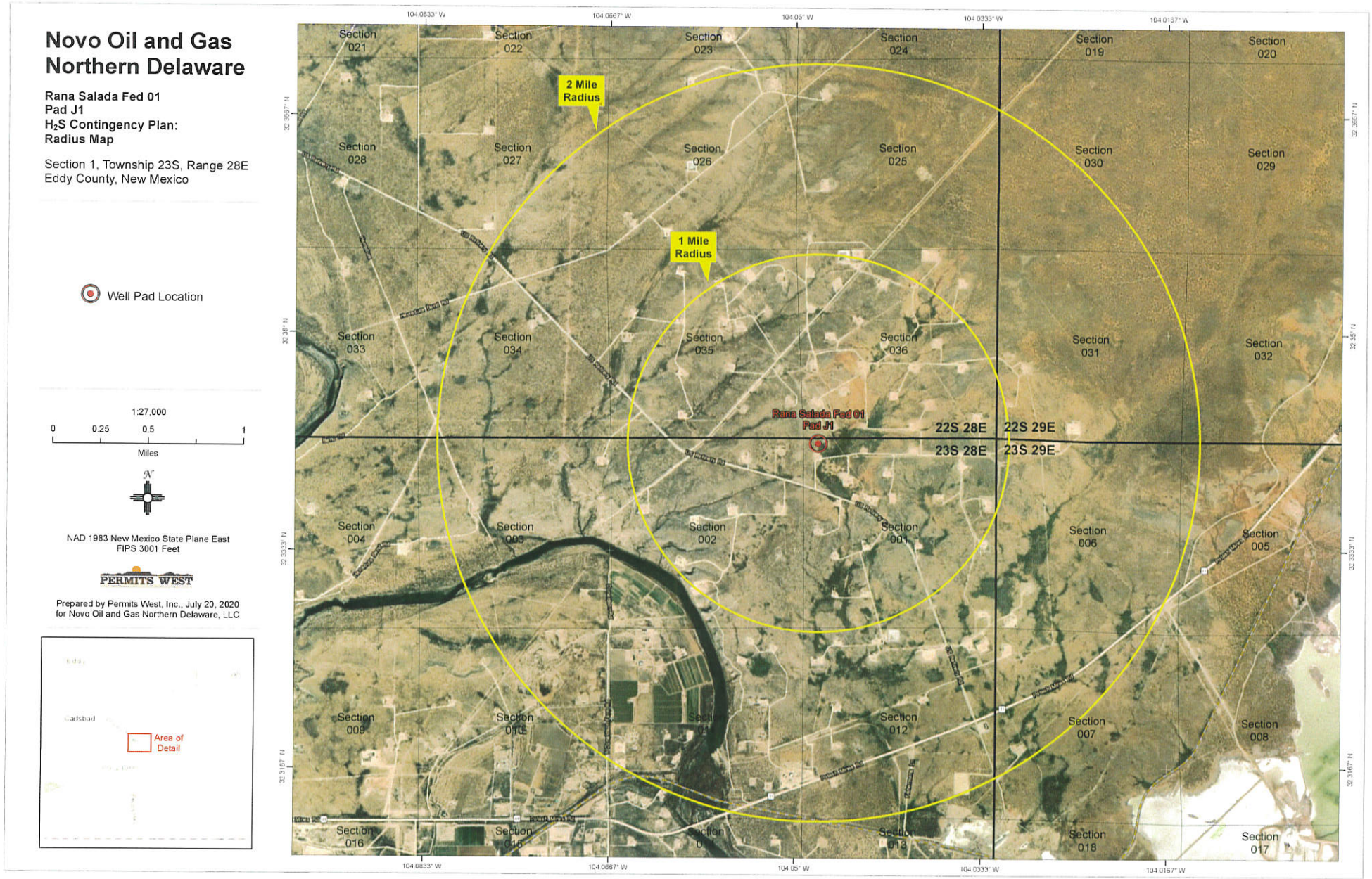
SURVEY NO. 7989A

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

Novo Oil and Gas Northern Delaware

Rana Salada Fed 01
Pad J1
H_2S Contingency Plan:
Radius Map

Section 1, Township 23S, Range 28E
Eddy County, New Mexico



Well Pad Location

1:27,000

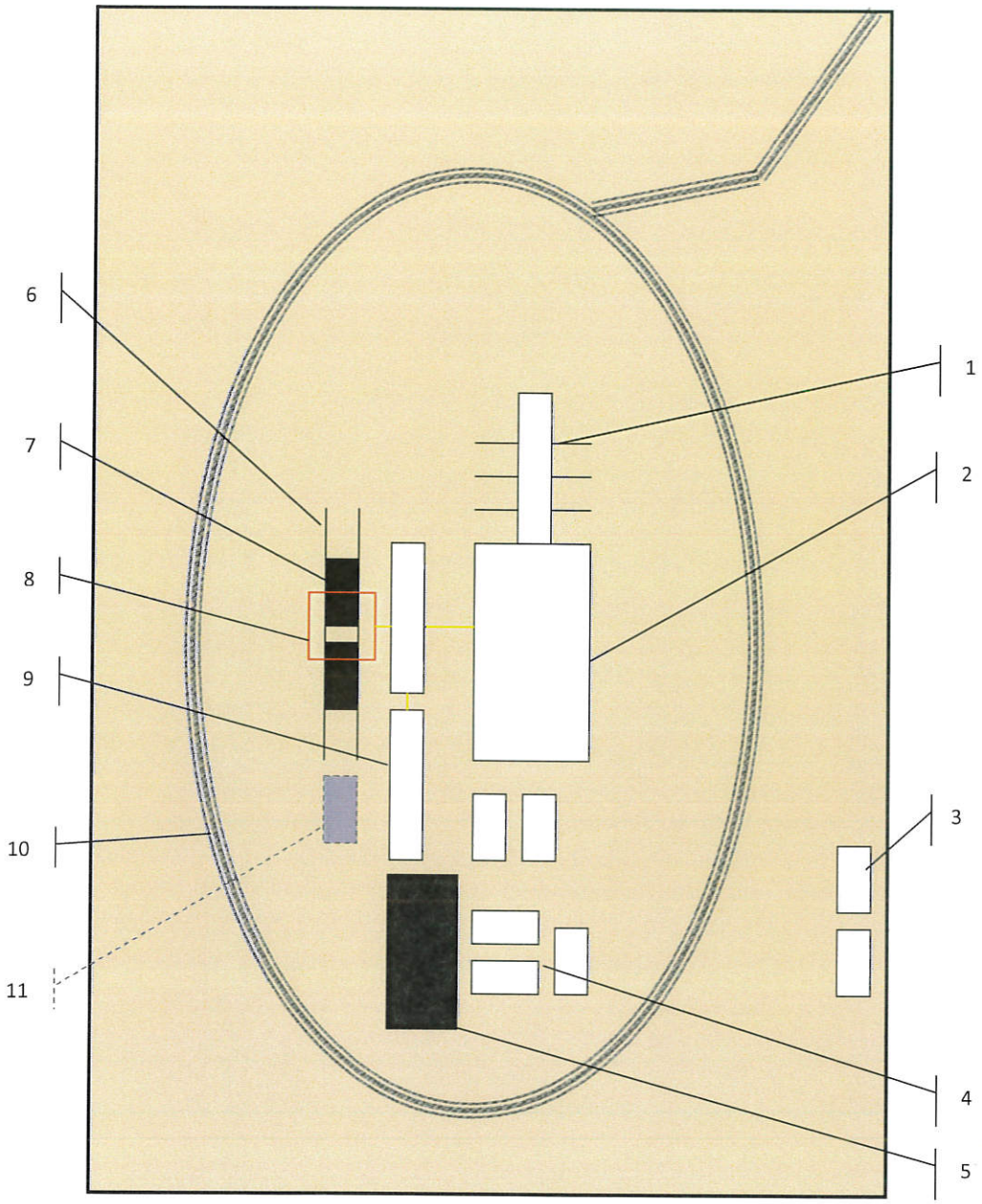
0 0.25 0.5 1

Miles

NAD 1983 New Mexico State Plane East
FIPS 3001 Feet

PERMITS WEST

Prepared by Permits West, Inc., July 20, 2020
for Novo Oil and Gas Northern Delaware, LLC



Schematic Closed Loop Drilling Rig*

1. Pipe Rack
2. Drill Rig
3. House Trailers/ Offices
4. Generator/Fuel/Storage
5. Overflow-Frac Tank
6. Skids
7. Roll Offs
8. Hopper or Centrifuge
9. Mud Tanks
10. Loop Drive
11. Generator (only for use with centrifuge)

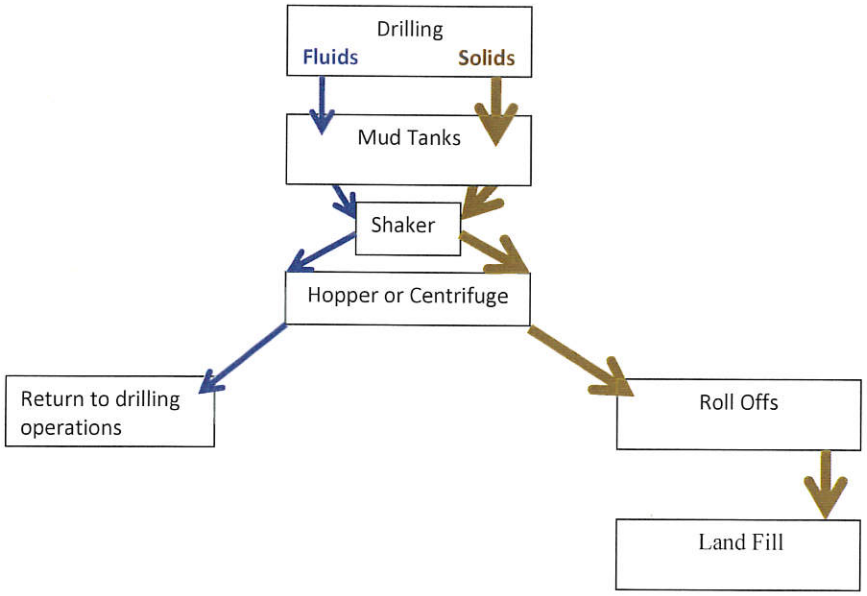
*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available

Above: Centrifugal Closed Loop System

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

Closed Loop Drilling System: Mud tanks to right (1)
Hopper in air to settle out solids (2)
Water return pipe (3)
Shaker between hopper and mud tanks (4)
Roll offs on skids (5)

Flow Chart for Drilling Fluids and Solids



Photos Courtesy of Gandy Corporation Oil Field Service

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

COMMENTS

Action 32153

COMMENTS

Operator: NOVO OIL & GAS NORTHERN DELAWARE, LLC 1001 West Wilshire Blvd Oklahoma City, OK 73116	OGRID: 372920
	Action Number: 32153
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 6/18/2021	6/18/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 32153

CONDITIONS

Operator: NOVO OIL & GAS NORTHERN DELAWARE, LLC 1001 West Wilshire Blvd Oklahoma City, OK 73116	OGRID: 372920
	Action Number: 32153
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify OCD 24 hours prior to casing & cement	6/18/2021
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	6/18/2021
kpickford	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	6/18/2021
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	6/18/2021
kpickford	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	6/18/2021