Sundry Print Report

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

Well Name: ARKENSTONE 31 Well Location: T23S / R31E / SEC 31 / County or Parish/State: EDDY /

FEDERAL NENW / 32.267821 / -103.817553

Well Number: 174H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMNM0546732A Unit or CA Name: Unit or CA Number:

US Well Number: 300154733200X1 Well Status: Drilling Well Operator: OXY USA

INCORPORATED

Notice of Intent

Sundry ID: 2686864

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: 08/11/2022 Time Sundry Submitted: 03:35

Date proposed operation will begin: 09/02/2022

Procedure Description: OXY USA Inc. respectfully requests approval to amend the subject well AAPD BHL, change the pool to two noted wofcamp pools, amend the HSU, and update the drilling plans (casing, cementing, mud programs). The updated well plats, drill plan and directional plan are attached. The surface hole is not changing. Old BHL: 20' FSL 2100' FEL O-31-23S-31E New BHL:20' FWL 1900' FEL 0-6-24S-31E

NOI Attachments

Procedure Description

Arkenstone31Federal174H_OxyWellControlPlan_20220811153305.pdf

Arkenstone31Federal174H_DirectPlan_20220811153255.pdf

Arkenstone31Federal174H_DirectPlot_20220811153245.pdf

Arkenstone31Federal174H_13inADAPT_13.375in_4S_10x10x15_20220811153208.pdf

ARKENSTONE_31_FED_COM_174H_C102_20220811153201.pdf

Arkenstone31Federal1H_CasingSpecSheets_3_20220811153154.pdf

Arkenstone31Federal174H_DrillPlan_20220811153142.pdf

TNSWedge461_5.500in_20.00__P110CY_20220811153135.pdf

leceived by OCD: 9/7/2022 12:44:22 PM
Well Name: ARKENSTONE 31

FEDERAL

Well Location: T23S / R31E / SEC 31 / NENW / 32.267821 / -103.817553

County or Parish/State: EDDY? of

NM

Well Number: 174H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM0546732A

Unit or CA Name:

Unit or CA Number:

US Well Number: 300154733200X1

Well Status: Drilling Well

Operator: OXY USA INCORPORATED

Conditions of Approval

Additional

ARKENSTONE_31_FEDERAL_174H___SUNDRY_COA_20220826153549.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: LESLIE REEVES Signed on: AUG 11, 2022 03:27 PM

Name: OXY USA INCORPORATED

Title: Advisor Regulatory

Street Address: 5 GREENWAY PLAZA, SUITE 110

City: HOUSTON State: TX

Phone: (713) 497-2492

Email address: LESLIE_REEVES@OXY.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

Signature: Keith Immatty

BLM POC Name: KEITH P IMMATTY **BLM POC Title:** ENGINEER

BLM POC Phone: 5759884722 **BLM POC Email Address:** KIMMATTY@BLM.GOV

Disposition: Approved **Disposition Date:** 09/07/2022

isposition. Approved Disposition Date: 03/07/202

Page 2 of 2

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | OXY USA INCORPORATED

WELL NAME & NO.: | ARKENSTONE 31 FEDERAL 174H

SURFACE HOLE FOOTAGE: 130'/N & 2500'/W BOTTOM HOLE FOOTAGE 20'/S & 1900'/E

LOCATION: | Section 31, T.23 S., R.31 E., NMPM

COUNTY: | Eddy County, New Mexico

COA

| H2S | • Yes | O No | |
|----------------------|------------------|-----------------------------|--------------|
| Potash | O None | Secretary | © R-111-P |
| Cave/Karst Potential | • Low | O Medium | O High |
| Cave/Karst Potential | Critical | | |
| Variance | O None | • Flex Hose | Other |
| Wellhead | Conventional | • Multibowl | O Both |
| Other | ☐4 String Area | ☐ Capitan Reef | □WIPP |
| Other | ☐ Fluid Filled | | ☐ Pilot Hole |
| Special Requirements | ☐ Water Disposal | □ СОМ | □ Unit |

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Alternate Casing Design:

- 1. The 13-3/8 inch surface casing shall be set at approximately 430 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 **9-5/8** inch intermediate casing shall be set at approximately **4,159** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 - Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In <u>R111 Potash Areas</u> if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing string must come to surface.
- 3. The **7-5/8** inch intermediate casing shall be set at approximately **11,062** feet. **KEEP 26.4# SECTION FULL PAST 6,000' TO MEET COLLAPSE SF.** The minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- c. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- d. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 - Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In <u>R111 Potash Areas</u> if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 7-5/8" X 9-5/8" annulus. Operator must run a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM.

4. The **5-1/2** inch intermediate casing shall be set at approximately **22,371** feet. The minimum required fill of cement behind the **5-1/2** inch production casing is:

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

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)
- 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.

KPI - 08/04/2022

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

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

16696

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

☑ AMENDED REPORT

| | WELL LOCATION AND | ACREAGE DEDICATION PLAT | | | | | |
|---------------|-------------------|-------------------------------|---------|--|--|--|--|
| API Number | Pool Code | Pool Code Pool Name | | | | | |
| 30-015-47332 | 98236 | 8236 WC-015 G-08 S233135; WOL | | | | | |
| Property Code | Prop | Property Name | | | | | |
| 326150 | ARKENSTON | ARKENSTONE 31 FEDERAL | | | | | |
| OGRID No. | Oper | Operator Name | | | | | |
| 16696 | OXY | USA INC. | 3346.2' | | | | |

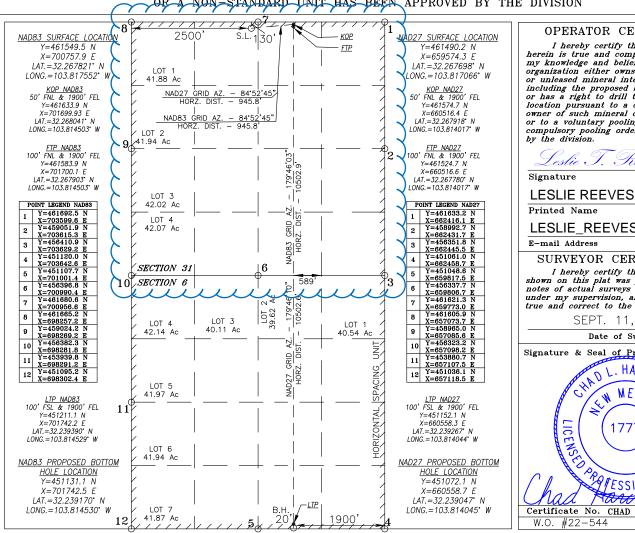
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| С | 31 | 23-S | 31-E | | 130 | NORTH | 2500 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | p | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|-----------|----------|------|--------------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 6 | 24-9 | S | 31-E | | 20 | SOUTH | 1900 | EAST | EDDY |
| Dedicated Acre | s Joint o | r Infill | Cons | solidation (| Code Or | der No. | | • | | |
| 647.91 | | | | | | | | | | |

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



OPERATOR CERTIFICATION

I hereby certify that the information I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Leslie I. Reeves 6/30/2022 Date

LESLIE_REEVES@OXY.COM

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.

SEPT. 11, 2018

Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCRO WEXIC 0R PATESSIONAL <u>6/6/2</u>2

Certificate No. CHAD HARCROW 17777 DRAWN BY: BD

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

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) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | Pool Code | Pool Name | | | |
|---------------|-----------|-----------------------|---------|--|--|
| 30-015-47332 | (GAS) | | | | |
| Property Code | Pr | Property Name | | | |
| 326150 | ARKENSTO | ARKENSTONE 31 FEDERAL | | | |
| OGRID No. | Op | Operator Name | | | |
| 16696 | OXY | USA INC. | 3346.2' | | |

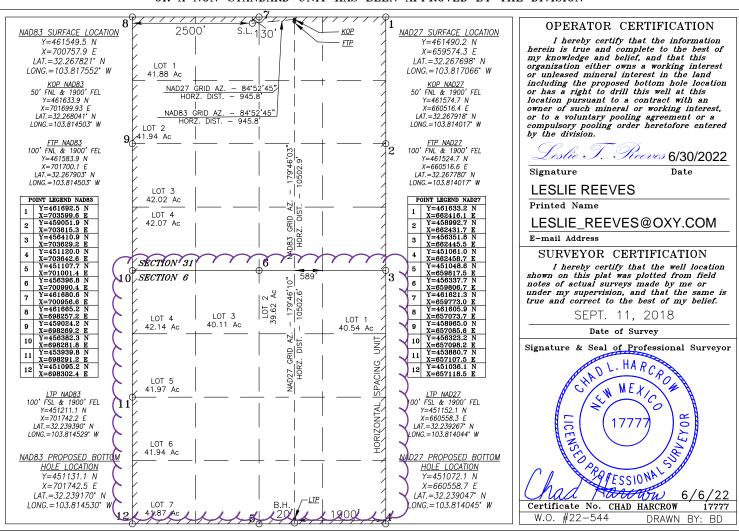
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| С | 31 | 23-S | 31-E | | 130 | NORTH | 2500 | WEST | EDDY |

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 |
|-----------------|---------|----------|---------------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 6 | 24-5 | 31-E | | 20 | SOUTH | 1900 | EAST | EDDY |
| Dedicated Acres | Joint o | r Infill | Consolidation | Code Or | der No. | | | • | |
| 648.19 | | | | | | | | | |

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



Oxy USA Inc. - Arkenstone 31 Federal 174H Drill Plan

1. Geologic Formations

| TVD of Target (ft): | 11687 | Pilot Hole Depth (ft): | |
|----------------------------|-------|------------------------------------|-----|
| Total Measured Depth (ft): | 22371 | Deepest Expected Fresh Water (ft): | 370 |

Delaware Basin

| Formation | MD-RKB (ft) | TVD-RKB (ft) | Expected Fluids |
|-----------------|-------------|--------------|------------------------|
| Rustler | 370 | 370 | |
| Salado | 690 | 690 | Salt |
| Castile | 2605 | 2605 | Salt |
| Delaware | 4059 | 4059 | Oil/Gas/Brine |
| Bell Canyon | 4100 | 4100 | Oil/Gas/Brine |
| Cherry Canyon | 4985 | 4985 | Oil/Gas/Brine |
| Brushy Canyon | 6271 | 6270 | Losses |
| Bone Spring | 7984 | 7956 | Oil/Gas |
| Bone Spring 1st | 9036 | 8989 | Oil/Gas |
| Bone Spring 2nd | 9689 | 9630 | Oil/Gas |
| Bone Spring 3rd | 10904 | 10823 | Oil/Gas |
| Wolfcamp | 11391 | 11298 | Oil/Gas |
| Penn | _ | | Oil/Gas |
| Strawn | _ | _ | Oil/Gas |

^{*}H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

| | | M | ID | T۱ | /D | | | | |
|--------------|-----------|-------|-------|------|-------|---------|---------|---------|-----------|
| | Hole | From | То | From | То | Csg. | Csg Wt. | | |
| Section | Size (in) | (ft) | (ft) | (ft) | (ft) | OD (in) | (ppf) | Grade | Conn. |
| Surface | 17.5 | 0 | 430 | 0 | 430 | 13.375 | 54.5 | J-55 | BTC |
| Salt | 12.25 | 0 | 4159 | 0 | 4159 | 9.625 | 40 | L-80 HC | BTC |
| Intermediate | 8.75 | 0 | 10062 | 0 | 9976 | 7.625 | 29.7 | L-80 HC | Wedge 425 |
| Intermediate | 8.75 | 10062 | 11062 | 9976 | 10976 | 7.625 | 26.4 | L-80 HC | TMK UP FJ |
| Production | 6.75 | 0 | 22371 | 0 | 11687 | 5.5 | 20 | P-110 | Wedge 461 |

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

^{*}Oxy requests the option to run production casing with DQX, TORQ DQW, Wedge 425, Wedge 461, and/or Wedge 441 connections to accommodate hole conditions or drilling operations.

Created On: 8/11/2022 at 10:43 AM

Occidental - Permian New Mexico

| All Casing SF Values will meet or exceed | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| those below | | | | | | | | | |
| SF SF Body SF Joint SF | | | | | | | | | |
| Collapse Burst Tension Tension | | | | | | | | | |
| 1.125 1.2 1.4 1.4 | | | | | | | | | |

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

- 1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
- 2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

| | Y or N |
|---|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Does casing meet API specifications? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | Y |
| Does the above casing design meet or exceed BLM's minimum standards? | Y |
| If not provide justification (loading assumptions, casing design criteria). | I |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching | Y |
| the collapse pressure rating of the casing? | 1 |
| | |
| Is well located within Capitan Reef? | N |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
| Is well within the designated 4 string boundary. | |
| | |
| Is well located in SOPA but not in R-111-P? | N |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back | |
| 500' into previous casing? | |
| | |
| Is well located in R-111-P and SOPA? | Y |
| If yes, are the first three strings cemented to surface? | Y |
| Is 2 nd string set 100' to 600' below the base of salt? | Y |
| | |
| Is well located in high Cave/Karst? | N |
| If yes, are there two strings cemented to surface? | |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | |
| | |
| Is well located in critical Cave/Karst? | N |
| If yes, are there three strings cemented to surface? | |

Created On: 8/11/2022 at 10:43 AM

3. Cementing Program

| Section | Stage | Slurry: | Capacities | ft^3/ft | Excess: | From | То | Sacks | Volume (ft^3) | Placement |
|---------|-------|---------------------------|------------|---------|---------|--------|--------|-------|------------------|------------|
| Surface | 1 | Surface - Tail | OH x Csg | 0.6946 | 100% | 430 | - | 449 | 597 | Circulate |
| Int.1 | 1 | Intermediate - Tail | OH x Csg | 0.3132 | 20% | 4,159 | 3,659 | 141 | 188 | Circulate |
| Int.1 | 1 | Intermediate - Lead | OH x Csg | 0.3132 | 50% | 3,659 | 430 | 877 | 1517 | Circulate |
| Int.1 | 1 | Intermediate - Lead | Csg x Csg | 0.3627 | 0% | 430 | 1 | 90 | 156 | Circulate |
| Int. 2 | 1 | Intermediate 1S - Tail | OH x Csg | 0.1005 | 5% | 11,062 | 6,521 | 290 | 479 | Circulate |
| Int. 2 | 2 | Intermediate 2S - Tail BH | OH x Csg | 0.1005 | 25% | 6,521 | 4,159 | 173 | 297 | Bradenhead |
| Int. 2 | 2 | Intermediate 2S - Tail BH | Csg x Csg | 0.1086 | 0% | 4,159 | - | 264 | 452 | Bradenhead |
| Prod. | 1 | Production - Tail | OH x Csg | 0.0835 | 25% | 22,371 | 11,062 | 856 | 1181 | Circulate |
| Prod. | 1 | Production - Tail | Csg x Csg | 0.0999 | 0% | 11,062 | 10,562 | 36 | 50 | Circulate |

| Description | Density (lb/gal) | Yield (ft3/sk) | Water (gal/sk) | 500psi Time (hh:mm) | Cmt. Class | Accelerator | Retarder | Dispersant | Salt |
|---------------------------|---------------------|-------------------|-------------------|---------------------------|------------|-------------|----------|------------|------|
| Surface - Tail | 14.8 | 1.33 | 6.365 | 5:26 | С | Х | | | |
| Intermediate - Lead | 12.9 | 1.73 | 8.784 | 15:26 | Pozz | | Х | | |
| Intermediate - Tail | 14.8 | 1.33 | 6.368 | 7:11 | С | Х | | | |
| Intermediate 1S - Tail | 13.2 | 1.65 | 8.64 | 11:54 | Н | Х | Х | Х | х |
| Intermediate 2S - Tail BH | 13.3 | 1.71 | 8.86 | 23:10 | С | Х | | | |
| Production - Tail | 13.2 | 1.38 | 6.686 | 3:39 | Н | | Х | Х | х |

Offline Cementing

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe). Land casing.

Fill pipe with kill weight fluid, and confirm well is static.

If well Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

- 1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
- 2. Land casing.
- 3. Fill pipe with kill weight fluid, and confirm well is static.
 - a. If well is not static notify BLM and kill well.
 - b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
- 4. Set and pressure test annular packoff.
- 5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed.
- 6. Skid rig to next well on pad.
- 7. Confirm well is static before removing cap flange.
- 8. If well is not static notify BLM and kill well prior to cementing or nippling up for further remediation.
- 9. Install offline cement tool.
- 10. Rig up cement equipment.
 - a. Notify BLM prior to cement job.
- 11. Perform cement job.
- 12. Confirm well is static and floats are holding after cement job.
- 13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

Oxy requests permission to adjust the CBL requirement after bradenhead cement jobs, on 7-5/8" intermediate casings, as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

Four string wells:

- CBL is not required
- If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run
- Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement

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4. Pressure Control Equipment

| BOP installed and tested before drilling which hole? | Size? | Min. Required WP | | Туре | ~ | Tested to: | TVD Depth (ft) per Section: | | |
|--|---------|------------------------|--------|------------|-------------|--------------------------|-----------------------------------|--|--|
| | | ЗМ | | Annular | * | 70% of working pressure | | | |
| | | | | Blind Ram | ~ | | | | |
| 12.25" Hole | 13-5/8" | 3M | | Pipe Ram | | 250 psi / 3000 psi | 4159 | | |
| | | SIVI | | Double Ram | ~ | 250 psi / 5000 psi | | | |
| | | | Other* | | | | | | |
| | | | 5M | | Annular | > | 70% of working pressure | | |
| | | | | Blind Ram | ~ | | | | |
| 8.75" Hole | 13-5/8" | 5M | | Pipe Ram | | 250 psi / 5000 psi | 10976 | | |
| | | SIVI | | Double Ram | > | 250 psi / 5000 psi | | | |
| | | | Other* | | | | | | |
| | | 5M | | Annular | > | 100% of working pressure | | | |
| | | | | Blind Ram | > | | | | |
| 6.75" Hole | 13-5/8" | 10M | | Pipe Ram | | 250 psi / 10000 psi | 11687 | | |
| | | TOW | | Double Ram | * | 250 psi / 10000 psi | | | |
| | | | Other* | | | | | | |

*Specify if additional ram is utilized

Per BLM's Memorandum No. NM-2017-008: *Decision and Rationale for a Variance Allowing the Use of a 5M Annular Preventer with a 10M BOP Stack,* Oxy requests to employ a 5M annular with a 10M BOPE stack in the pilot and lateral sections of the well and will ensure that two barriers to flow are maintained at all times. Please see attached Well Control Plan.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold.

Formation integrity test will be performed per Onshore Order #2.

On Exploratory wells or 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. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.

Y Are anchors required by manufacturer?

A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.

See attached schematics.

BOP Break Testing Request

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.

If the kill line is broken prior to skid, two tests will be performed.

- 1) Wellhead flange, co-flex hose, kill line connections and upper pipe rams
- 2) Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

1) Wellhead flange, co-flex hose, check valve, upper pipe rams

5. Mud Program

| Section | Depth | | Depth - TVD | | Туре | Weight | Viscosity | Water |
|----------------|-----------|---------|-------------|------------------|--|------------|-----------|-------|
| Section | From (ft) | To (ft) | From (ft) | rom (ft) To (ft) | | (ppg) | Viscosity | Loss |
| Surface | 0 | 430 | 0 | 430 | Water-Based Mud | 8.6 - 8.8 | 40-60 | N/C |
| Intermediate 1 | 430 | 4159 | 430 | 4159 | Saturated Brine-Based or Oil-Based Mud | 8.0 - 10.0 | 35-45 | N/C |
| Intermediate 2 | 4159 | 11062 | 4159 | 10976 | Water-Based or Oil- Based Mud | 8.0 - 10.0 | 38-50 | N/C |
| Production | 11062 | 22371 | 10976 | 11687 | Water-Based or Oil- Based Mud | 9.5 - 12.5 | 38-50 | N/C |

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

| What will be used to monitor the | DVT/NAD Totas (Visual Maxitarias |
|----------------------------------|----------------------------------|
| loss or gain of fluid? | PVT/MD Totco/Visual Monitoring |

6. Logging and Testing Procedures

| Logg | ging, Coring and Testing. |
|------|--|
| Yes | Will run GR from TD to surface (horizontal well – vertical portion of hole). |
| res | Stated logs run will be in the Completion Report and submitted to the BLM. |
| No | Logs are planned based on well control or offset log information. |
| No | Drill stem test? If yes, explain |
| No | Coring? If yes, explain |

| Add | itional logs planned | Interval |
|-----|----------------------|------------------|
| No | Resistivity | |
| No | Density | |
| No | CBL | |
| Yes | Mud log | Bone Spring – TD |
| No | PEX | |

7. Drilling Conditions

| Condition | Specify what type and where? |
|-------------------------------|------------------------------|
| BH Pressure at deepest TVD | 7597 psi |
| Abnormal Temperature | No |
| BH Temperature at deepest TVD | 174°F |

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

| DLIVI. | |
|--------|-------------------|
| N | H2S is present |
| Υ | H2S Plan attached |

8. Other facets of operation

| | Yes/No |
|---|--------|
| Will the well be drilled with a walking/skidding operation? If yes, describe. | No |
| Will more than one drilling rig be used for drilling operations? If yes, describe. Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. | Yes |

Total Estimated Cuttings Volume: 1686 bbls

Attachments

- _x__ Directional Plan
- _x__ H2S Contingency Plan
- _x__ Flex III Attachments
- _x__ Spudder Rig Attachment
- _x__ Premium Connection Specs

9. Company Personnel

| Name | <u>Title</u> | Office Phone | Mobile Phone |
|-----------------|------------------------------|--------------|---------------------|
| Garrett Granier | Drilling Engineer | 713-513-6633 | 832-265-0581 |
| Filip Krneta | Drilling Engineer Supervisor | 713-350-4751 | 832-244-4980 |
| Simon Benavides | Drilling Superintendent | 713-522-8652 | 281-684-6897 |
| Diego Tellez | Drilling Manager | 713-350-4602 | 713-303-4932 |

Released to Imaging: 9///2022 2:2/:45 PM

PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

OXY

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1
Design: Permitting Plan

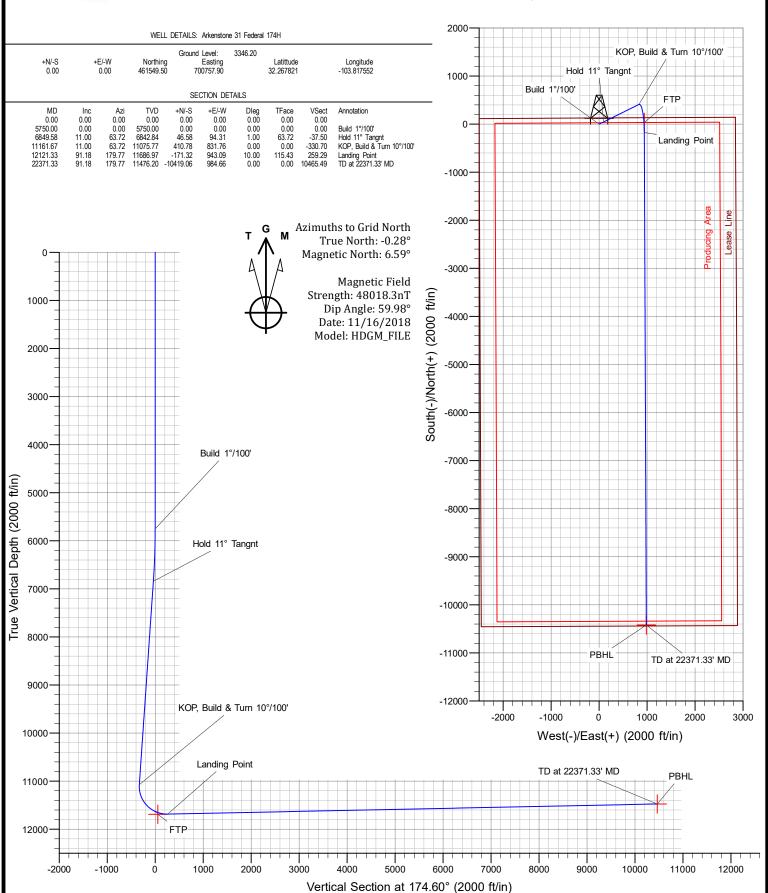
Geodetic System: US State Plane 1983

Datum: North American Datum 1983

Ellipsoid: GRS 1980

Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level



PRD NM DIRECTIONAL PLANS (NAD 1983) Arkenstone 31 Federal Arkenstone 31 Federal 174H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

21 June, 2022

North Reference:

Planning Report

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal
Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: RKB=
MD Reference: RKB=

Survey Calculation Method:

Well Arkenstone 31 Federal 174H

RKB=25' @ 3371.20ft RKB=25' @ 3371.20ft

Grid

Minimum Curvature

Project PRD NM DIRECTIONAL PLANS (NAD 1983)

Map System: US State Plane 1983
Geo Datum: North American Datum 1983

Geo Datum: North American Datum 1983

Map Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

Using geodetic scale factor

Site Arkenstone 31 Federal

Site Position: Northing: 461,540.55 usft Latitude: 32.267817 From: Мар Easting: 699,187.86 usft Longitude: -103.822632 **Position Uncertainty:** 0.00 ft Slot Radius: 13.200 in **Grid Convergence:** 0.27

Well Arkenstone 31 Federal 174H

 Well Position
 +N/-S
 8.95 ft
 Northing:
 461,549.50 usft
 Latitude:
 32.267821

 +E/-W
 1,570.14 ft
 Easting:
 700,757.90 usft
 Longitude:
 -103.817553

Position Uncertainty0.00 ftWellhead Elevation:0.00 ftGround Level:3,346.20 ft

 Wellbore
 Wellbore #1

 Magnetics
 Model Name
 Sample Date (°)
 Declination (°)
 Dip Angle (°)
 Field Strength (nT)

 HDGM FILE
 11/16/2018
 6.87
 59.98
 48,018.30000000

Design Permitting Plan Audit Notes: Version: Tie On Depth: Phase: **PROTOTYPE** 0.00 **Vertical Section:** Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) -1.20 0.00 0.00 174.60

Plan Survey Tool Program Date 6/21/2022

Depth From Depth To
(ft) (ft) Survey (Wellbore) Tool Name Remarks

OWSG MWD + HRO

22,371.33 Permitting Plan (Wellbore #1)

B001Mb_MWD+HRGM OWSG MWD + HRGM

Plan Sections Vertical Measured Dogleg Build Turn Depth Depth Rate Rate Rate Inclination +N/-S Azimuth +E/-W **TFO** (°/100ft) (°/100ft) (°/100ft) (ft) (ft) (ft) (°) (°) (ft) (°) **Target** 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 5,750.00 0.00 0.00 5,750.00 0.00 0.00 0.00 0.00 0.00 0.00 6,849.58 11.00 63.72 6,842.84 46.58 94.31 1.00 1.00 0.00 63.72 11,075.77 831.76 0.00 0.00 11,161.67 11.00 63.72 410.78 0.00 0.00 91.18 179.77 11.686.97 -171.32 943.09 10.00 8.36 12.09 115.43 12,121.33 -10,419.06 22.371.33 91 18 179.77 11,476.20 984.66 0.00 0.00 0.00 0.00 PBHL (Arkenstone

0.00

Planning Report

Database: Company: Project: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal
Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1
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Local Co-ordinate Reference:

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MD Reference:

North Reference: Survey Calculation Method: Well Arkenstone 31 Federal 174H

RKB=25' @ 3371.20ft RKB=25' @ 3371.20ft

Grid

| Design: | Permitting Pla | an | | | | | | | |
|--|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Planned Survey | | | | | | | | | |
| Measured | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 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 |
| 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 |
| 1,600.00 | 0.00 | 0.00 | 1,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,700.00 | 0.00 | 0.00 | 1,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,800.00 | 0.00 | 0.00 | 1,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,900.00 | 0.00 | 0.00 | 1,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,100.00 | 0.00 | 0.00 | 2,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,200.00 | 0.00 | 0.00 | 2,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,300.00 | 0.00 | 0.00 | 2,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,400.00 | 0.00 | 0.00 | 2,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 0.00 | 0.00 | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,600.00 | 0.00 | 0.00 | 2,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,700.00 | 0.00 | 0.00 | 2,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,800.00 | 0.00 | 0.00 | 2,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,900.00 | 0.00 | 0.00 | 2,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,000.00 3,100.00 3,200.00 3,300.00 3,400.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 3,000.00 3,100.00 3,200.00 3,300.00 3,400.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 |
| 3,500.00 3,600.00 3,700.00 3,800.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 | 3,500.00 3,600.00 3,700.00 3,800.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 |
| 3,900.00 | 0.00 | 0.00 | 3,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 0.00 | 0.00 | 4,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 0.00 | 0.00 | 4,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 0.00 | 0.00 | 4,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,400.00 | 0.00 | 0.00 | 4,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 0.00 | 0.00 | 4,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 0.00 | 0.00 | 4,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 0.00 | 0.00 | 4,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,800.00 | 0.00 | 0.00 | 4,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 0.00 | 0.00 | 4,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 0.00 | 0.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,100.00 | 0.00 | 0.00 | 5,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,200.00 | 0.00 | 0.00 | 5,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,300.00 | 0.00 | 0.00 | 5,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Planning Report

Database: Company: Project: HOPSPP

ENGINEERING DESIGNS

: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal
Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Arkenstone 31 Federal 174H

RKB=25' @ 3371.20ft RKB=25' @ 3371.20ft

Grid

| Design: | Permitting Pla | an | | | | | | | |
|---------------------------|-----------------|----------------|---------------------------|---------------|---------------|-----------------------------|-----------------------------|----------------------------|---------------------------|
| Planned Survey | | | | | | | | | |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 5,500.00 | 0.00 | 0.00 | 5,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 0.00 | 0.00 | 5,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,700.00 | 0.00 | 0.00 | 5,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,750.00 | 0.00 | 0.00 | 5,750.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 0.50 | 63.72 | 5,800.00 | 0.10 | 0.20 | -0.08 | 1.00 | 1.00 | 0.00 |
| 5,900.00 | 1.50 | 63.72 | 5,899.98 | 0.87 | 1.76 | -0.70 | 1.00 | 1.00 | 0.00 |
| 6,000.00 | 2.50 | 63.72 | 5,999.92 | 2.41 | 4.89 | -1.94 | 1.00 | 1.00 | 0.00 |
| 6,100.00 | 3.50 | 63.72 | 6,099.78 | 4.73 | 9.58 | -3.81 | 1.00 | 1.00 | 0.00 |
| 6,200.00 | 4.50 | 63.72 | 6,199.54 | 7.82 | 15.84 | -6.30 | 1.00 | 1.00 | 0.00 |
| 6,300.00 | 5.50 | 63.72 | 6,299.16 | 11.68 | 23.65 | -9.40 | 1.00 | 1.00 | 0.00 |
| 6,400.00 | 6.50 | 63.72 | 6,398.61 | 16.31 | 33.02 | -13.13 | 1.00 | 1.00 | 0.00 |
| 6,500.00 | 7.50 | 63.72 | 6,497.86 | 21.71 | 43.95 | -17.47 | 1.00 | 1.00 | 0.00 |
| 6,600.00 | 8.50 | 63.72 | 6,596.89 | 27.87 | 56.43 | -22.44 | 1.00 | 1.00 | 0.00 |
| 6,700.00 | 9.50 | 63.72 | 6,695.65 | 34.80 | 70.45 | -28.01 | 1.00 | 1.00 | 0.00 |
| 6,800.00 | 10.50 | 63.72 | 6,794.13 | 42.48 | 86.02 | -34.20 | 1.00 | 1.00 | 0.00 |
| 6,849.58 | 11.00 | 63.72 | 6,842.84 | 46.58 | 94.31 | -37.50 | 1.00 | 1.00 | 0.00 |
| 6,900.00 | 11.00 | 63.72 | 6,892.34 | 50.84 | 102.94 | -40.93 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 11.00 | 63.72 | 6,990.50 | 59.28 | 120.04 | -47.73 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 11.00 | 63.72 | 7,088.67 | 67.73 | 137.14 | -54.53 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 11.00 | 63.72 | 7,186.83 | 76.18 | 154.24 | -61.33 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 11.00 | 63.72 | 7,284.99 | 84.62 | 171.34 | -68.13 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 11.00 | 63.72 | 7,383.16 | 93.07 | 188.44 | -74.92 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 11.00 | 63.72 | 7,481.32 | 101.51 | 205.55 | -81.72 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 11.00 | 63.72 | 7,579.49 | 109.96 | 222.65 | -88.52 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 11.00 | 63.72 | 7,677.65 | 118.41 | 239.75 | -95.32 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 11.00 | 63.72 | 7,775.81 | 126.85 | 256.85 | -102.12 | 0.00 | 0.00 | 0.00 |
| 7,900.00 | 11.00 | 63.72 | 7,873.98 | 135.30 | 273.95 | -108.92 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 11.00 | 63.72 | 7,972.14 | 143.74 | 291.06 | -115.72 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 11.00 | 63.72 | 8,070.31 | 152.19 | 308.16 | -122.52 | 0.00 | 0.00 | 0.00 |
| 8,200.00 | 11.00 | 63.72 | 8,168.47 | 160.64 | 325.26 | -129.32 | 0.00 | 0.00 | 0.00 |
| 8,300.00 | 11.00 | 63.72 | 8,266.63 | 169.08 | 342.36 | -136.12 | 0.00 | 0.00 | 0.00 |
| 8,400.00 | 11.00 | 63.72 | 8,364.80 | 177.53 | 359.46 | -142.92 | 0.00 | 0.00 | 0.00 |
| 8,500.00 | 11.00 | 63.72 | 8,462.96 | 185.98 | 376.56 | -149.72 | 0.00 | 0.00 | 0.00 |
| 8,600.00 | 11.00 | 63.72 | 8,561.13 | 194.42 | 393.67 | -156.52 | 0.00 | 0.00 | 0.00 |
| 8,700.00 | 11.00 | 63.72 | 8,659.29 | 202.87 | 410.77 | -163.32 | 0.00 | 0.00 | 0.00 |
| 8,800.00 | 11.00 | 63.72 | 8,757.46 | 211.31 | 427.87 | -170.12 | 0.00 | 0.00 | 0.00 |
| 8,900.00 | 11.00 | 63.72 | 8,855.62 | 219.76 | 444.97 | -176.92 | 0.00 | 0.00 | 0.00 |
| 9,000.00 | 11.00 | 63.72 | 8,953.78 | 228.21 | 462.07 | -183.72 | 0.00 | 0.00 | 0.00 |
| 9,100.00 | 11.00 | 63.72 | 9,051.95 | 236.65 | 479.17 | -190.52 | 0.00 | 0.00 | 0.00 |
| 9,200.00 | 11.00 | 63.72 | 9,150.11 | 245.10 | 496.28 | -197.32 | 0.00 | 0.00 | 0.00 |
| 9,300.00 | 11.00 | 63.72 | 9,248.28 | 253.54 | 513.38 | -204.12 | 0.00 | 0.00 | 0.00 |
| 9,400.00 | 11.00 | 63.72 | 9,346.44 | 261.99 | 530.48 | -210.92 | 0.00 | 0.00 | 0.00 |
| 9,500.00 | 11.00 | 63.72 | 9,444.60 | 270.44 | 547.58 | -217.72 | 0.00 | 0.00 | 0.00 |
| 9,600.00 | 11.00 | 63.72 | 9,542.77 | 278.88 | 564.68 | -224.52 | 0.00 | 0.00 | 0.00 |
| 9,700.00 | 11.00 | 63.72 | 9,640.93 | 287.33 | 581.79 | -231.32 | 0.00 | 0.00 | 0.00 |
| 9,800.00 | 11.00 | 63.72 | 9,739.10 | 295.77 | 598.89 | -238.12 | 0.00 | 0.00 | 0.00 |
| 9,900.00 | 11.00 | 63.72 | 9,837.26 | 304.22 | 615.99 | -244.91 | 0.00 | 0.00 | 0.00 |
| 10,000.00 | 11.00 | 63.72 | 9,935.42 | 312.67 | 633.09 | -251.71 | 0.00 | 0.00 | 0.00 |
| 10,100.00 | 11.00 | 63.72 | 10,033.59 | 321.11 | 650.19 | -258.51 | 0.00 | 0.00 | 0.00 |
| 10,200.00 | 11.00 | 63.72 | 10,131.75 | 329.56 | 667.29 | -265.31 | 0.00 | 0.00 | 0.00 |
| 10,300.00 | 11.00 | 63.72 | 10,229.92 | 338.01 | 684.40 | -272.11 | 0.00 | 0.00 | 0.00 |
| 10,400.00 | 11.00 | 63.72 | 10,328.08 | 346.45 | 701.50 | -278.91 | 0.00 | 0.00 | 0.00 |
| 10,500.00 | 11.00 | 63.72 | 10,426.25 | 354.90 | 718.60 | -285.71 | 0.00 | 0.00 | 0.00 |
| 10,600.00 | 11.00 | 63.72 | 10,524.41 | 363.34 | 735.70 | -292.51 | 0.00 | 0.00 | 0.00 |
| 10,700.00 | 11.00 | 63.72 | 10,622.57 | 371.79 | 752.80 | -299.31 | 0.00 | 0.00 | 0.00 |

Planning Report

Database: Company: Project: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal
Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Arkenstone 31 Federal 174H

RKB=25' @ 3371.20ft RKB=25' @ 3371.20ft

Grid

| Design: | Permitting Pla | an | | | | | | | |
|---------------------------|--------------------|----------------|---------------------------|---------------|---------------|-----------------------------|-----------------------------|----------------------------|---------------------------|
| Planned Survey | | | | | | | | | |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 10,800.00 | 11.00 | 63.72 | 10,720.74 | 380.24 | 769.90 | -306.11 | 0.00 | 0.00 | 0.00 |
| 10,900.00 | 11.00 | 63.72 | 10,818.90 | 388.68 | 787.01 | -312.91 | 0.00 | 0.00 | 0.00 |
| 11,000.00 | 11.00 | 63.72 | 10,917.07 | 397.13 | 804.11 | -319.71 | 0.00 | 0.00 | 0.00 |
| 11,100.00 | 11.00 | 63.72 | 11,015.23 | 405.57 | 821.21 | -326.51 | 0.00 | 0.00 | 0.00 |
| 11,161.67 | 11.00 | 63.72 | 11,075.77 | 410.78 | 831.76 | -330.70 | 0.00 | 0.00 | 0.00 |
| 11,200.00 | 9.96 | 84.14 | 11,113.47 | 412.74 | 838.33 | -332.03 | 10.00 | -2.70 | 53.28 |
| 11,300.00 | 13.41 | 132.36 | 11,211.60 | 405.80 | 855.55 | -323.50 | 10.00 | 3.44 | 48.22 |
| 11,400.00 | 21.40 | 153.07 | 11,307.04 | 381.66 | 872.42 | -297.88 | 10.00 | 8.00 | 20.70 |
| 11,500.00 | 30.57 | 162.34 | 11,396.87 | 341.05 | 888.44 | -255.95 | 10.00 | 9.16 | 9.27 |
| 11,600.00 | 40.11 | 167.58 | 11,478.37 | 285.23 | 903.12 | -198.99 | 10.00 | 9.54 | 5.24 |
| 11,700.00 | 49.80 | 171.06 | 11,549.06 | 215.87 | 916.01 | -128.72 | 10.00 | 9.70 | 3.49 |
| 11,800.00 | 59.58 | 173.67 | 11,606.80 | 135.08 | 926.73 | -47.29 | 10.00 | 9.77 | 2.60 |
| 11,900.00 | 69.39 | 175.79 | 11,649.83 | 45.33 | 934.94 | 42.84 | 10.00 | 9.82 | 2.12 |
| 12,000.00 | 79.23 | 177.66 | 11,676.84 | -50.67 | 940.40 | 138.92 | 10.00 | 9.84 | 1.86 |
| 12,100.00 | 89.08 | 179.40 | 11,687.02 | -149.99 | 942.94 | 238.04 | 10.00 | 9.85 | 1.75 |
| 12,121.33 | 91.18 | 179.77 | 11,686.97 | -171.32 | 943.09 | 259.29 | 10.00 | 9.85 | 1.72 |
| 12,200.00 | 91.18 | 179.77 | 11,685.35 | -249.97 | 943.41 | 337.62 | 0.00 | 0.00 | 0.00 |
| 12,300.00 | 91.18 | 179.77 | 11,683.30 | -349.95 | 943.82 | 437.20 | 0.00 | 0.00 | 0.00 |
| 12,400.00 | 91.18 | 179.77 | 11,681.24 | -449.93 | 944.22 | 536.77 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 91.18 | 179.77 | 11,679.18 | -549.90 | 944.63 | 636.34 | 0.00 | 0.00 | 0.00 |
| 12,600.00 | 91.18 | 179.77 | 11,677.13 | -649.88 | 945.04 | 735.91 | 0.00 | 0.00 | 0.00 |
| 12,700.00 | 91.18 | 179.77 | 11,675.07 | -749.86 | 945.44 | 835.49 | 0.00 | 0.00 | 0.00 |
| 12,800.00 | 91.18 | 179.77 | 11,673.01 | -849.84 | 945.85 | 935.06 | 0.00 | 0.00 | 0.00 |
| 12,900.00 | 91.18 | 179.77 | 11,670.96 | -949.82 | 946.25 | 1,034.63 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 91.18 | 179.77 | 11,668.90 | -1,049.79 | 946.66 | 1,134.20 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 91.18 | 179.77 | 11,666.84 | -1,149.77 | 947.06 | 1,233.78 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 91.18 | 179.77 | 11,664.79 | -1,249.75 | 947.47 | 1,333.35 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 91.18 | 179.77 | 11,662.73 | -1,349.73 | 947.87 | 1,432.92 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 91.18 | 179.77 | 11,660.68 | -1,449.71 | 948.28 | 1,532.50 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 91.18 | 179.77 | 11,658.62 | -1,549.68 | 948.69 | 1,632.07 | 0.00 | 0.00 | 0.00 |
| 13,600.00 | 91.18 | 179.77 | 11,656.56 | -1,649.66 | 949.09 | 1,731.64 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 91.18 | 179.77 | 11,654.51 | -1,749.64 | 949.50 | 1,831.21 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 91.18 | 179.77 | 11,652.45 | -1,849.62 | 949.90 | 1,930.79 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 91.18 | 179.77 | 11,650.39 | -1,949.60 | 950.31 | 2,030.36 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 91.18 | 179.77 | 11,648.34 | -2,049.57 | 950.71 | 2,129.93 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 91.18 | 179.77 | 11,646.28 | -2,149.55 | 951.12 | 2,229.50 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 91.18 | 179.77 | 11,644.23 | -2,249.53 | 951.52 | 2,329.08 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 91.18 | 179.77 | 11,642.17 | -2,349.51 | 951.93 | 2,428.65 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 91.18 | 179.77 | 11,640.11 | -2,449.49 | 952.34 | 2,528.22 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 91.18 | 179.77 | 11,638.06 | -2,549.46 | 952.74 | 2,627.80 | 0.00 | 0.00 | 0.00 |
| 14,600.00 | 91.18 | 179.77 | 11,636.00 | -2,649.44 | 953.15 | 2,727.37 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 91.18 | 179.77 | 11,633.94 | -2,749.42 | 953.55 | 2,826.94 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 91.18 | 179.77 | 11,631.89 | -2,849.40 | 953.96 | 2,926.51 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 91.18 | 179.77 | 11,629.83 | -2,949.38 | 954.36 | 3,026.09 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 91.18 | 179.77 | 11,627.78 | -3,049.35 | 954.77 | 3,125.66 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 91.18 | 179.77 | 11,625.72 | -3,149.33 | 955.17 | 3,225.23 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 91.18 | 179.77 | 11,623.66 | -3,249.31 | 955.58 | 3,324.80 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 91.18 | 179.77 | 11,621.61 | -3,349.29 | 955.99 | 3,424.38 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 91.18 | 179.77 | 11,619.55 | -3,449.27 | 956.39 | 3,523.95 | 0.00 | 0.00 | 0.00 |
| 15,500.00 | 91.18 | 179.77 | 11,617.49 | -3,549.24 | 956.80 | 3,623.52 | 0.00 | 0.00 | 0.00 |
| 15,600.00 | 91.18 | 179.77 | 11,615.44 | -3,649.22 | 957.20 | 3,723.09 | 0.00 | 0.00 | 0.00 |
| 15,700.00 | 91.18 | 179.77 | 11,613.38 | -3,749.20 | 957.61 | 3,822.67 | 0.00 | 0.00 | 0.00 |
| 15,800.00 | 91.18 | 179.77 | 11,611.33 | -3,849.18 | 958.01 | 3,922.24 | 0.00 | 0.00 | 0.00 |
| 15,900.00 | 91.18 | 179.77 | 11,609.27 | -3,949.16 | 958.42 | 4,021.81 | 0.00 | 0.00 | 0.00 |
| 16,000.00 | 91.18 | 179.77 | 11,607.21 | -4,049.14 | 958.82 | 4,121.39 | 0.00 | 0.00 | 0.00 |

Planning Report

Database: Company: Project: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal
Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Arkenstone 31 Federal 174H

RKB=25' @ 3371.20ft RKB=25' @ 3371.20ft

Grid

| Design: | Permitting Pla | an | | | | | | | |
|---|---|--|---|---|--|--|--------------------------------------|--|--|
| Planned Survey | | | | | | | | | |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 16,100.00 | 91.18 | 179.77 | 11,605.16 | -4,149.11 | 959.23 | 4,220.96 | 0.00 | 0.00 | 0.00 |
| 16,200.00 | 91.18 | 179.77 | 11,603.10 | -4,249.09 | 959.64 | 4,320.53 | 0.00 | 0.00 | 0.00 |
| 16,300.00 | 91.18 | 179.77 | 11,601.04 | -4,349.07 | 960.04 | 4,420.10 | 0.00 | 0.00 | 0.00 |
| 16,400.00 | 91.18 | 179.77 | 11,598.99 | -4,449.05 | 960.45 | 4,519.68 | 0.00 | 0.00 | 0.00 |
| 16,500.00 | 91.18 | 179.77 | 11,596.93 | -4,549.03 | 960.85 | 4,619.25 | 0.00 | 0.00 | 0.00 |
| 16,600.00 16,700.00 16,800.00 16,900.00 17,000.00 | 91.18 91.18 91.18 91.18 91.18 | 179.77 179.77 179.77 179.77 179.77 | 11,594.88 11,592.82 11,590.76 11,588.71 11,586.65 | -4,649.00 -4,748.98 -4,848.96 -4,948.94 -5,048.92 | 961.26 961.66 962.07 962.47 962.88 | 4,718.82 4,818.39 4,917.97 5,017.54 5,117.11 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 0.00 |
| 17,100.00 | 91.18 | 179.77 | 11,584.59 | -5,148.89 | 963.29 | 5,216.69 | 0.00 | 0.00 | 0.00 |
| 17,200.00 | 91.18 | 179.77 | 11,582.54 | -5,248.87 | 963.69 | 5,316.26 | 0.00 | 0.00 | 0.00 |
| 17,300.00 | 91.18 | 179.77 | 11,580.48 | -5,348.85 | 964.10 | 5,415.83 | 0.00 | 0.00 | 0.00 |
| 17,400.00 | 91.18 | 179.77 | 11,578.42 | -5,448.83 | 964.50 | 5,515.40 | 0.00 | 0.00 | 0.00 |
| 17,500.00 | 91.18 | 179.77 | 11,576.37 | -5,548.81 | 964.91 | 5,614.98 | 0.00 | 0.00 | 0.00 |
| 17,600.00 | 91.18 | 179.77 | 11,574.31 | -5,648.78 | 965.31 | 5,714.55 | 0.00 | 0.00 | 0.00 |
| 17,700.00 | 91.18 | 179.77 | 11,572.26 | -5,748.76 | 965.72 | 5,814.12 | 0.00 | 0.00 | 0.00 |
| 17,800.00 | 91.18 | 179.77 | 11,570.20 | -5,848.74 | 966.12 | 5,913.69 | 0.00 | 0.00 | 0.00 |
| 17,900.00 | 91.18 | 179.77 | 11,568.14 | -5,948.72 | 966.53 | 6,013.27 | 0.00 | 0.00 | 0.00 |
| 18,000.00 | 91.18 | 179.77 | 11,566.09 | -6,048.70 | 966.94 | 6,112.84 | 0.00 | 0.00 | 0.00 |
| 18,100.00 18,200.00 18,300.00 18,400.00 18,500.00 | 91.18 91.18 91.18 91.18 | 179.77 179.77 179.77 179.77 179.77 | 11,564.03 11,561.97 11,559.92 11,557.86 11,555.81 | -6,148.67 -6,248.65 -6,348.63 -6,448.61 -6,548.59 | 967.34 967.75 968.15 968.56 968.96 | 6,212.41 6,311.98 6,411.56 6,511.13 6,610.70 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 0.00 |
| 18,600.00 | 91.18 | 179.77 | 11,553.75 | -6,648.56 | 969.37 | 6,710.28 | 0.00 | 0.00 | 0.00 |
| 18,700.00 | 91.18 | 179.77 | 11,551.69 | -6,748.54 | 969.77 | 6,809.85 | 0.00 | 0.00 | 0.00 |
| 18,800.00 | 91.18 | 179.77 | 11,549.64 | -6,848.52 | 970.18 | 6,909.42 | 0.00 | 0.00 | 0.00 |
| 18,900.00 | 91.18 | 179.77 | 11,547.58 | -6,948.50 | 970.59 | 7,008.99 | 0.00 | 0.00 | 0.00 |
| 19,000.00 | 91.18 | 179.77 | 11,545.52 | -7,048.48 | 970.99 | 7,108.57 | 0.00 | 0.00 | 0.00 |
| 19,100.00 | 91.18 | 179.77 | 11,543.47 | -7,148.45 | 971.40 | 7,208.14 | 0.00 | 0.00 | 0.00 |
| 19,200.00 | 91.18 | 179.77 | 11,541.41 | -7,248.43 | 971.80 | 7,307.71 | 0.00 | 0.00 | 0.00 |
| 19,300.00 | 91.18 | 179.77 | 11,539.36 | -7,348.41 | 972.21 | 7,407.28 | 0.00 | 0.00 | 0.00 |
| 19,400.00 | 91.18 | 179.77 | 11,537.30 | -7,448.39 | 972.61 | 7,506.86 | 0.00 | 0.00 | 0.00 |
| 19,500.00 | 91.18 | 179.77 | 11,535.24 | -7,548.37 | 973.02 | 7,606.43 | 0.00 | 0.00 | 0.00 |
| 19,600.00 | 91.18 | 179.77 | 11,533.19 | -7,648.34 | 973.42 | 7,706.00 | 0.00 | 0.00 | 0.00 |
| 19,700.00 | 91.18 | 179.77 | 11,531.13 | -7,748.32 | 973.83 | 7,805.58 | 0.00 | 0.00 | 0.00 |
| 19,800.00 | 91.18 | 179.77 | 11,529.07 | -7,848.30 | 974.23 | 7,905.15 | 0.00 | 0.00 | 0.00 |
| 19,900.00 | 91.18 | 179.77 | 11,527.02 | -7,948.28 | 974.64 | 8,004.72 | 0.00 | 0.00 | 0.00 |
| 20,000.00 | 91.18 | 179.77 | 11,524.96 | -8,048.26 | 975.05 | 8,104.29 | 0.00 | 0.00 | 0.00 |
| 20,100.00 | 91.18 | 179.77 | 11,522.91 | -8,148.23 | 975.45 | 8,203.87 | 0.00 | 0.00 | 0.00 |
| 20,200.00 | 91.18 | 179.77 | 11,520.85 | -8,248.21 | 975.86 | 8,303.44 | 0.00 | 0.00 | 0.00 |
| 20,300.00 | 91.18 | 179.77 | 11,518.79 | -8,348.19 | 976.26 | 8,403.01 | 0.00 | 0.00 | 0.00 |
| 20,400.00 | 91.18 | 179.77 | 11,516.74 | -8,448.17 | 976.67 | 8,502.58 | 0.00 | 0.00 | 0.00 |
| 20,500.00 | 91.18 | 179.77 | 11,514.68 | -8,548.15 | 977.07 | 8,602.16 | 0.00 | 0.00 | 0.00 |
| 20,600.00 | 91.18 | 179.77 | 11,512.62 | -8,648.12 | 977.48 | 8,701.73 | 0.00 | 0.00 | 0.00 |
| 20,700.00 | 91.18 | 179.77 | 11,510.57 | -8,748.10 | 977.88 | 8,801.30 | 0.00 | 0.00 | 0.00 |
| 20,800.00 | 91.18 | 179.77 | 11,508.51 | -8,848.08 | 978.29 | 8,900.87 | 0.00 | 0.00 | 0.00 |
| 20,900.00 | 91.18 | 179.77 | 11,506.45 | -8,948.06 | 978.70 | 9,000.45 | 0.00 | 0.00 | 0.00 |
| 21,000.00 | 91.18 | 179.77 | 11,504.40 | -9,048.04 | 979.10 | 9,100.02 | 0.00 | 0.00 | 0.00 |
| 21,100.00 | 91.18 | 179.77 | 11,502.34 | -9,148.01 | 979.51 | 9,199.59 | 0.00 | 0.00 | 0.00 |
| 21,200.00 | 91.18 | 179.77 | 11,500.29 | -9,247.99 | 979.91 | 9,299.17 | 0.00 | 0.00 | 0.00 |
| 21,300.00 | 91.18 | 179.77 | 11,498.23 | -9,347.97 | 980.32 | 9,398.74 | 0.00 | 0.00 | 0.00 |
| 21,400.00 | 91.18 | 179.77 | 11,496.17 | -9,447.95 | 980.72 | 9,498.31 | 0.00 | 0.00 | 0.00 |
| 21,500.00 | 91.18 | 179.77 | 11,494.12 | -9,547.93 | 981.13 | 9,597.88 | 0.00 | 0.00 | 0.00 |

Planning Report

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Arkenstone 31 Federal
Well: Arkenstone 31 Federal 174H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Arkenstone 31 Federal 174H

RKB=25' @ 3371.20ft RKB=25' @ 3371.20ft

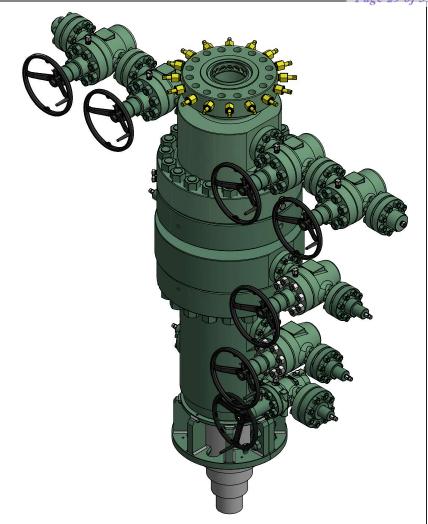
Grid

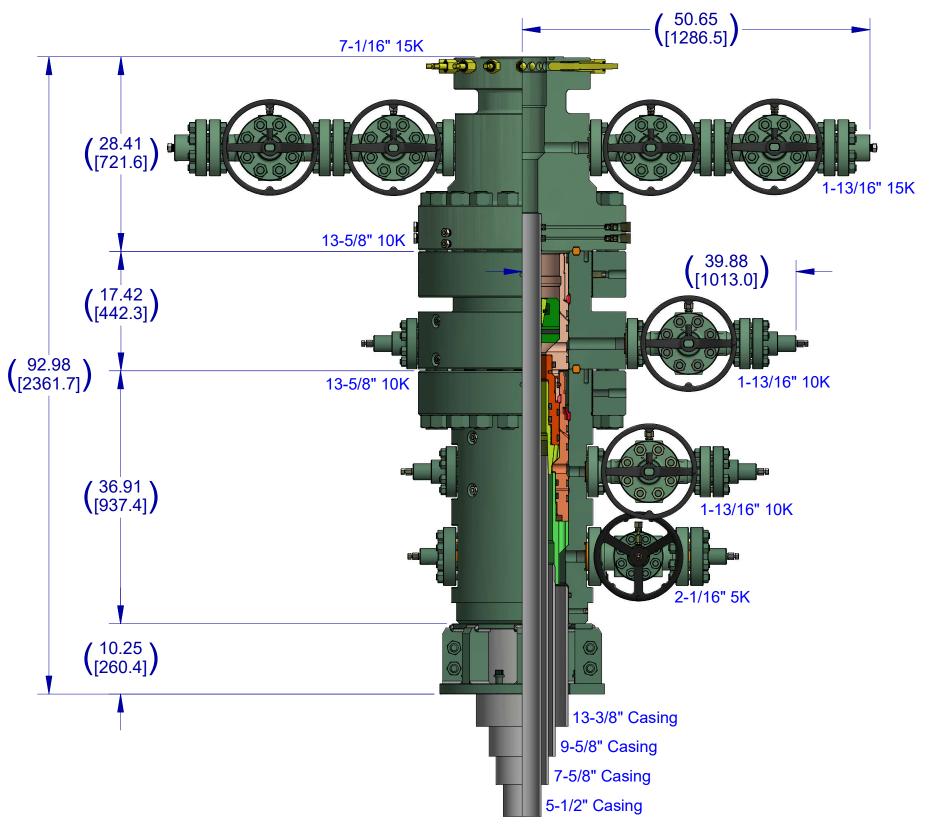
| Planned Survey | | | | | | | | | |
|---------------------------|--------------------|----------------|---------------------------|---------------|---------------|-----------------------------|-----------------------------|----------------------------|---------------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 21,600.00 | 91.18 | 179.77 | 11,492.06 | -9,647.91 | 981.53 | 9,697.46 | 0.00 | 0.00 | 0.00 |
| 21,700.00 | 91.18 | 179.77 | 11,490.00 | -9,747.88 | 981.94 | 9,797.03 | 0.00 | 0.00 | 0.00 |
| 21,800.00 | 91.18 | 179.77 | 11,487.95 | -9,847.86 | 982.35 | 9,896.60 | 0.00 | 0.00 | 0.00 |
| 21,900.00 | 91.18 | 179.77 | 11,485.89 | -9,947.84 | 982.75 | 9,996.17 | 0.00 | 0.00 | 0.00 |
| 22,000.00 | 91.18 | 179.77 | 11,483.84 | -10,047.82 | 983.16 | 10,095.75 | 0.00 | 0.00 | 0.00 |
| 22,100.00 | 91.18 | 179.77 | 11,481.78 | -10,147.80 | 983.56 | 10,195.32 | 0.00 | 0.00 | 0.00 |
| 22,200.00 | 91.18 | 179.77 | 11,479.72 | -10,247.77 | 983.97 | 10,294.89 | 0.00 | 0.00 | 0.00 |
| 22,300.00 | 91.18 | 179.77 | 11,477.67 | -10,347.75 | 984.37 | 10,394.47 | 0.00 | 0.00 | 0.00 |
| 22,371.33 | 91.18 | 179.77 | 11.476.20 | -10.419.06 | 984.66 | 10.465.49 | 0.00 | 0.00 | 0.00 |

| Design Targets | | | | | | | | | |
|--|----------------------|-----------------|--------------------------|-----------------------|--------------------------|-------------------------|-------------------|-----------|-------------|
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| PBHL (Arkenstone 31 - plan hits target cer - Point | 0.00 nter | 0.00 | 11,476.20 | -10,419.06 | 984.66 | 451,131.10 | 701,742.50 | 32.239170 | -103.814530 |
| FTP (Arkenstone 31 - plan misses target - Point | 0.00 center by 35 | | 11,691.20 922.12ft MD | 34.40 (11657.22 TV | 942.26 /D, 24.53 N, 9 | 461,583.90 336.39 E) | 701,700.10 | 32.267903 | -103.814504 |

| Formations | | | | | | |
|------------|---------------------------|---------------------------|-----------------|-----------|------------|-------------------------|
| | Measured Depth (ft) | Vertical Depth (ft) | Name | Lithology | Dip (°) | Dip Direction (°) |
| | 369.20 | 369.20 | RUSTLER | | | |
| | 689.20 | 689.20 | SALADO | | | |
| | 2,605.20 | 2,605.20 | CASTILE | | | |
| | 4,059.20 | 4,059.20 | DELAWARE | | | |
| | 4,100.20 | 4,100.20 | BELL CANYON | | | |
| | 4,984.20 | 4,984.20 | CHERRY CANYON | | | |
| | 6,270.92 | 6,270.20 | BRUSHY CANYON | | | |
| | 7,982.74 | 7,955.20 | BONE SPRING | | | |
| | 9,036.08 | 8,989.20 | BONE SPRING 1ST | | | |
| | 9,688.05 | 9,629.20 | BONE SPRING 2ND | | | |
| | 10,904.38 | 10,823.20 | BONE SPRING 3RD | | | |
| | 11,390.54 | 11,298.20 | WOLFCAMP | | | |
| | 11,561.58 | 11,448.20 | WOLFCAMP A | | | |

| Plan Annotations | | | | | |
|--------------------|---------------|-------------------|------------------|---|--|
| Measure | d Vertical | Local Co | ordinates | | |
| Depth (ft) | Depth (ft) | +N/-S (ft) | +E/-W (ft) | Comment | |
| 5,750. 6,849. | , | 0.00 46.58 | 0.00 94.31 | Build 1°/100' Hold 11° Tangnt | |
| 11,161. 12,121. | - , | 410.78 -171.32 | 831.76 943.09 | KOP, Build & Turn 10°/100' Landing Point | |
| 22,371. | 33 11,476.20 | -10,419.06 | 984.66 | TD at 22371.33' MD | |





NOTE: This is a proposal drawing and dimensions shown are subject to change during the final design process.

DO NOT SCALE

DRAWN BY:

C. LOPEZ

CHECKED BY:

N. PRIVETT

DATE:

11/30/2021

DRAWING NO:

QD-09-00030

DATE:

11/30/2021



SURFACE SYSTEMS

13-5/8" 10K 4-String MN-DS

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

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 141285

COMMENTS

| Operator: | OGRID: |
|-----------------------|--------------------------------------|
| OXY USA INC | 16696 |
| P.O. Box 4294 | Action Number: |
| Houston, TX 772104294 | 141285 |
| | Action Type: |
| | [C-103] NOI Change of Plans (C-103A) |

COMMENTS

| Created By | Comment | Comment Date |
|------------|--|-----------------|
| kpickford | Defining well 30-015-47318 ARKENSTONE 31 FEDERAL #172H | 9/7/2022 |

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

CONDITIONS

Action 141285

CONDITIONS

| Operator: | OGRID: |
|-----------------------|--------------------------------------|
| OXY USA INC | 16696 |
| P.O. Box 4294 | Action Number: |
| Houston, TX 772104294 | 141285 |
| | Action Type: |
| | [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created B | Condition | Condition Date |
|-----------|---|-------------------|
| kpickfor | Adhere to previous NMOCD Conditions of Approval | 9/7/2022 |