<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101 August 1, 2011

Permit 343185

	APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE						
ı	1. Operator Name and Address	2. OGRID Number					
ı	Tascosa Energy Partners, L.L.C	329748					
ı	901 W. Missouri Ave	3. API Number					
ı	Midland, TX 79701	30-015-53950					

Midland, TX 79701 4. Property Code 5. Property Name 6. Well No. 334296 CHIEFTAIN 18 STATE COM 601H

7 Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County			
D	18	21S	26E	1	1189	N	257	W	Eddy			

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County		
Α	18	21S	26E	A	400	N	100	E	Eddy		

9. Pool Information

AVALON; BONE SPRING 96381

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	3275
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date
N	12906	3rd Bone Spring Sand		1/1/2024
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC					
Surf	17.5	13.375	48	500	550	0					
Int1	12.25	9.625	36	2200	544	0					
Prod	8.5	5.5	17	12906	2239	0					

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

zzi i i o o o o o zi zi i o o o o o zi zi i o o o o										
Туре	Working Pressure	Test Pressure	Manufacturer							
Annular	5000	5000	CTI							
Blind	5000	5000	CTI							
Pipe	5000	5000	CTI							

knowledge and b	pelief.	true and complete to the best of my					
Printed Name:	Electronically filed by Kelly M Har	dy	Approved By:	Ward Rikala			
Title:	Land Manager		Title:				
Email Address:	khardy@tascosaep.com		Approved Date:	7/6/2023	Expiration Date: 7/6/2025		
Date:	6/29/2023	Phone: 432-695-6970	Conditions of Approval Attached				

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

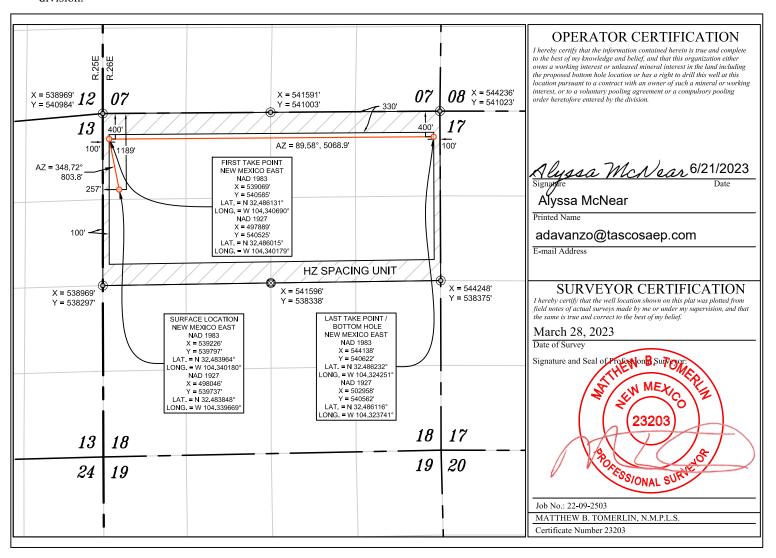
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015- 5	Number 53950			Pool Code 96381		Pool Name AVALON;BONE SPRING					
Property (33429				C⊦		Well Number #601H					
0GRID N 32974				TASCOSA	Operator Name A ENERGY PAR		Elevation 3275'				
Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
LOT 1	18	21 S	26 E		1189	NORTH	257	WEST	EDDY		
	ļ.		Bot	tom Hole	Location If Di	ferent From Surfa	ice	-	1		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
A	18	21 S	26 E		400	NORTH	100	EAST	EDDY		
Dedicated Acres	Joint or	Infill	Consolidation Co	de O	rder No.	1	1	1	1		

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



Form APD Conditions

Permit 343185

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

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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**

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
Tascosa Energy Partners, L.L.C [329748]	30-015-53950
901 W. Missouri Ave	Well:
Midland, TX 79701	CHIEFTAIN 18 STATE COM #601H

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

Well name: Chieftain 18 State #601H

Operator: Tascosa Energy Partners, LLC

String type: Surface Casing (500)

Location: Eddy County, New Mexico. 1,189 FNL & 257 FWL, Sec 18, T21S, R26E

BHL Planned: 400 FNL & 100 FEL, Sec 18, T21S, R26E

Design parameters:		Minimum	design facto	rs:	Environment: H2S considered? No			
Collapse Mud weight:		9.00	nna	<u>Collapse:</u> DF	1.125		75.00 °F	
Mud weight:	_	9.00	ppg	DF	1.123	Surface temperature:		
Design is based on evacuated pip				BHTemp		9 °F		
						Temp gradient:		0 °F/100ft
						Minimum sec length:		0 ft
				Burst:		Minimum Drift:	12.2	5 in
				DF	1.10	Cement top:	Surface	
<u>Burst</u>								
Max anticipated surface								
pressure	=	250.00	psi					
Internal gradient:	=	0.12	psi/ft	Tension:		Non-directional string.		
Calculated BHP	=	310.00	psi	8 Rd STC:	1.80	(J)		
				8 Rd LTC:	1.80	(J)		
No backup mud specified.				Buttress:	1.60	(J)		
				Premium:	1.50	(J)		
				Body yield:	1.50	(B) Re subsec	quent strings:	:
						Next setting depth:	3,000.00	ft
			Tension is	based on buoye	ed wgt.	Next mud weight:	10.00	ppg
			Neutral pt:	453.00 ft	_	Next setting BHP:	1,482.00	psi
Maximum Lift using 14.8 ppg cmt to	surfa	ce with 8.5	ppa mud fille	ed csa=		Fracture mud wt:	11.00	ppg
23,014 lbs lift. String wgt = 24,600 lb				•		Safety Factor Injection	1.00	ppg
for Safety.			p.10. •	,		Fracture depth:	500.00	ft
ioi ouioty.						Injection pressure	312.00	psi
						injudion produits	012.00	Poi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)	Internal Capacity (bbls)
1	45	13.375	48.00	H-40	ST&C	500	500	12.59	440.9	78.54
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor	
1	234	740	3.16	312	1730	5.54	24	322	13.417	

Prepared Phone: (432) 695 6970 Date: 02/23/23
by: Richard Wright FAX: (432) 695 6973 Midland, Texas

Remarks:

Collapse is based on a vertical depth of 500 ft, a mud weight of 9.0 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

3000 ft

2,262 psi

1 ppg

Safety Factor-Injection

Fracture depth:

Injection pressure

Chieftain 18 State #601H Well name:

Tascosa Energy Partners, LLC Operator: **Intermediate Casing (2,200)** String type:

Eddy County, New Mexico. 1,189 FNL & 257 FWL, Sec 18, T21S, R26E Location:

BHL Planned: 400 FNL & 100 FEL, Sec 18, T21S, R26E

Design parameters: Collapse		Minimum	design fact	ors:	Environment: H2S considered?	No	
Mud weight:	9.50	ppg	DF	1.125	Surface temperature:	75.00	°F
Design is based on evacuated pipe.					BH Temp	99	°F
					Temp Gradient	0.80	°F/100ft
					Minimum Sec Length	1500	ft
			Burst:		Minimum Drift:	8.75	in
			DF	1.15	Cement top:	Surface	
<u>Burst</u>							
Max anticipated surface							
pressure:	823.00	psi					
Internal gradient:	0.12	psi/ft	Tension:		Non-directional string.		
Calculated BHP	1,087.00	psi	8 Rd STC:	1.80	(J)		
			8 Rd LTC:	1.80	(J)		
No backup mud specified.			Buttress:	1.60	(J)		
			Premium:	1.50	(J)		
			Body yield:	1.50	(B) Re subsequent string		S:
					Next setting depth:	12,818	3 ft MD
		Tension is based on buoyed wgt.		Next setting depth:	7,880) ft TVD	
		Neutral pt: ± 1643 ft		Next mud weight:	9.5	5 ppg	
					Next setting BHP:		3 psi
					Fracture mud wt:	13.	5 ppg

Run Seq	Segment Length (ft) 2200	Size (in) 9.625	Nominal Weight (lbs/ft) 36	Grade J-55	End Finish LT&C	True Vert Depth (ft) 2199	Measured Depth (ft) 2200	Drift Diameter (in) 8.796	ID Diameter (in) 8.921	Internal Capacity (bbls) 165
Run Seq	Collapse Load (psi) 1086	Collapse Strength (psi) 2020	Collapse Design Factor 1.86	Burst Load (psi) 823	Burst Strength (psi) 3520	Burst Design Factor 4.27	Tension Load (Kips) 79.2	Tension Strength (Kips) 453	Tension Design Factor 5.7 J	

Phone: (432) 695 6970 Prepared Date: 02/23/23 FAX: (432) 695 6973 by: Richard Wright Midland, Texas

Remarks:

Collapse is based on a vertical depth of 2,200 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name: Chieftain 18 State #601H

Operator: Tascosa Energy Partners, LLC

String type: Production Casing (± 12,900 ft MD) "FRAC"

Location: Eddy County, New Mexico. 1,189 FNL & 257 FWL, Sec 18, T21S, R26E

BHL Planned 400 FNL & 100 FEL, Sec 18, T21S, R26E

Design parameters:		Minimum o	lesign fac	ctors:	Environment:	
<u>Collapse</u>			Collapse	<u>e:</u>	H2S considered?	No
Mud weight:		8.70 ppg	D	F 1.125	Surface temperature:	75.00 °F
Design is based on evacuated pi	pe.				Bottom hole temp:	139 °F
					Temperature gradient:	0.80 °F/100ft
					Minimum section lgth:	1,500 ft
			Burs	<u>t:</u>	Minimum Drift:	4.653 in
			D	F 1.12	Cement top:	Surface ft
<u>Burst</u>						
Max anticipated surface						
pressure FRAC @ RATE:	10,000.00 psi					
Internal gradient:	0.434 psi/f	Tension:			Directional Info - Build & I	Hold
Calculated BHP	13,484.00 psi	8 Rd STC:	1.80	(J)	KOP #1 ±	2,000 ft
backup mud specified.	0.452 psi/f	8 Rd LTC:	1.80	(J)	KOP #2 ±	7,453 ft
Net Injection Pressure Surface	10,000.00 psi	Buttress:	1.60	(J)	Departure at shoe:	4,985 ft
Net Injection Pressure TVD	5,218.00 psi	Premium:	1.50	(J)	Maximum dogleg:	10 °/100ft
Annular surface PSI	0 psi	Body yield:	1.50	(B)	Inclination at shoe:	88.8 °
Frac Gradient	12.50 ppg					
Frac Gradient	0.65 psi/f	t Tension is b	ased on bเ	uoyed weigh	nt. (.867 factor)	
		Neutral pt:	± 6,738 ft	assumes n	o friction	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	ID Diameter (in)	Internal Capacity (bbls)
1	12,906	5.5	17	P110 RY	GEOCONN- SC	8,027	12,906	4.767	4.892	267.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor	
1	3,977	7480	1.88	10000	11550	1.155	355.6	546	1.54	
Prepared by: Richard Wright					Phone: (432) FAX: (432) 6	,		02/23/23 Midland, Te	xas	

Remarks:

Collapse is based on a vertical depth of 8,026 ft, a mud weight of 10.5 ppg. The casing is considered to be evacuated for collapse purposes.

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

Burst strength is not adjusted for tension.

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

Tension/Joint Strength is Calculated by using string weight in air plus 100K overpull.

Chieftain 18 State # 601H "Cement Program"

SL=1189 FNL & 257 FWL, Section 18, T21S, R26E, Eddy County, New Mexico.

BHL = 400 FNL & 100 FEL, Sec 18, T21S, R26E, Eddy County, New Mexico API # 30-015-

Bone Springs Horizontal Test_TVD ± 7,930-8,026

.80° F Temp Gradient per 100 ft + 75° F surface

1. Surface hole depth = 500 ft. (79°F) TOC @surface w/ 200% W/O

Surface hole = 17.5 inch

Surface casing = 13.375" 48# H-40 STC

Float Collar "PDC Drillable" 1 jts up.

Hardware needed = 8 spring centralizers-(6) first 6 jts (1) every 3rd jt to surface

1 Guide shoe PDC Drillable

1 Float Collar (1 jt Up) PDC Drillable

2 thread lock

(2) collar stops (15' up from shoe) + (15' up from FC)

Engineering Data "Surface":

500 ft 17.5 inch hole x 13.375" csg = .6946 cuft/ft X 500 X 3.0 excess = 1042 cu ft 44 ft 13.375" 54.5 # casing volume= .8679 X 44 ft = 38 cu ft

Total Cement volume required = 1080 cu ft.

<u>Lead slurry</u> "Scavenger" Anticipated Coverage (200-surf) = 417 cu ft "C" 61:26 poz w/ 1% CaCl2, 12.8 ppg yield 1.68 cu ft/sk = (271 sks)

Slurry 1 Cement Tested @ 80°F

Thickening Time 4hr 37 min

Compressive Strength = 8:53_ 500 psi; 24:00_815 psi
.07% FW in 2 hrs

FL = NC

Gel Strength = 10 sec 10.3; 10 min 26.2

PV = 16.2

<u>Tail Slurry Anticipated Coverage (500'-200)</u> = 625 cu ft Class "C" w/ 2% CaCl2 14.8 ppg yield 1.35 cu ft / sk = (463 sks)

Slurry 2 Cement Tested @ 79°F

Thickening Time 2hr 08 min

YP = 18.3

```
Compressive Strength = 5:53 500 psi; 36:00 1818 psi
0% FW in 2 hrs
FL = 100 \text{ ml}/30 \text{ min}
Gel Strength = 10 sec 15.3; 10 min 19.9
PV = 24
YP = 17.8
```

Include 350 sks class "C" neat for top out + sack Calcium Chloride for mixing water (3%) if needed.

2. Intermediate hole depth=2,200 ft. (99° F) TOC @ Surface w/ 150% W/O open hole Intermediate hole = 12.25 inch

Intermediate Casing = 9.625" 36# J-55 LTC

Float Collar 1 jts up.

Hardware needed = 12 spring centralizers

1 Guide Shoe

1 float collar (1 jt up)

4 thread lock

Engineering Data "Intermediate":

1700 ft 12 1/4inch open hole x 9.625 csg = .3132 cuft/ft X 1700 X 2.5 excess = 1331 cu ft

500 ft 9.625 x 13.375" casing =.3765 cu ft/ft X 500 = **188 cu ft** 44 ft 9.625"36 # casing volume= .4340 X 44 ft = **19 cu ft**

Total Cement volume required = 1,538 cu ft.

Lead Slurry Anticipated Coverage (1,700-Surface) = 1,127 cu ft "C" 61/26 poz w/ 2% Calcium Chloride 12.0 ppg yield 2.07 cu ft/sk = (544 sks)

Lead Slurry Tested @ 99°F

Thickening Time 5hr 59 min Compressive Strength = 24:00 hrs 349 psi .2% in 2 hrs (2.5 ml/250 ml) Gel Strength = 10 Sec 17.6; 10 min 25.1 PV = 13.3YP = 16.1

Tail Slurry Anticipated Coverage (2,200-1,700) = 411 cu ft Class "C" w/ 1% CaCl2 14.8 ppg yield 1.34 cu ft / sk = (306 sks)

Slurry 2 Cement Tested @ 100°F

Thickening Time 1hr 56 min Compressive Strength = 3:31 500 psi; 36:0 2229 psi .8% FW in 2 hrs FL = 100 ml/30 min Gel Strength = 10 sec 16.6; 10 min 16.7 PV = .7 YP = 17.5

Include 350 sks class "C" neat for top out + sack Calcium Chloride for mixing water (3%) if needed.

3. Production Hole Depth = ± 12,906 ft. "± 8,028" TVD Max. (Temp 140° F)_TOC @ surface w/ 50% (W/O) OPEN HOLE (1 stage cmt job). NEED 18 HR SERVICE TIME TO PUMP JOB!

Production Hole Part 1 = 8.5 inch 12,906 - 8,443 ft. (4,463) x 1.5 x.2290= 1,533 cuft Production Hole Part 2 = 8.75 inch 8,443 - 2,200 ft. (6,243') x 1.5 x.2526=2,365 cuft Production Hole Part 3 = 9.625 36# Csg x 5.5"Csg (2,200') x .2691 = 592 cuft Shoe Jt. 45 ft x .1245 = NA

Total Cmt = 4,490 cu ft (2,239 sks)

5.5" seat = **12,906 MD. TOC** calculated to Surface w/ 50% Washout open hole.

Production Casing = 5.5 inch 20 # RY 110 w/ GBDC or Equivalent Connections

Hardware Needed = 70 spring Centralizers every 3rd jt. 7350 to surface

64 Rigid standoff Centralizers (1 every 2nd jt in lateral &

Curve.

Wet Float Shoe 8 thread lock Glass Disc float sub

Engineering Data "Production Casing Cement":

Slurry 1 Coverage = (5,000-Surface ft)

8.75" OH x 5.5" Csg = 2,800 x .2526 cu ft / ft x 1.5 = **1,061 cu ft.** 5.5" Csg x 9-5/8 36# csg = 2,200' x .2691 cu ft / ft = **592 cu ft.** Slurry 1 Total = 1,653 cu ft.

Total Slurry 1 Recipe = (1,653 cu ft) (373 sacks) class "C" 50/50 poz 10.5 ppg yield 4.43 cu ft/sk w/ 10% bentonite + 10% Silica Fume + 1.5% Sodium Metasilicate + 5 pps LCM.

Slurry 1 Cement Tested @ 141°F

Thickening Time 6hr 02 min Compressive Strength = 10:41_ 50 psi; 15:29_ 100 psi; 72 hr_346 psi 1% in 2 hrs (2.5 ml/250 ml) Gel Strength = 10 Sec 22; 10 min 32 PV = 5.8 YP = 19

<u>Slurry 2 Coverage = (12,900-5,000 ft)</u>

8-3/4" OH x 5.5" Csg = 3,443 ft x .2526 Cu ft/ft x 1.5 = **1,305** cu ft 8-1/2" OH x 5.5" Csg = 4,463 ft x .2290 cu ft / ft x 1.5 = **1,533** cu ft Shoe jt $45 \times .1245 = NA$ Slurry 2 Total = 2,838 cuft

Total Slurry 2 Recipe = (2,838 cu ft) (1,867 sacks) class "H" 50/50 poz 13.2 ppg yield 1.52 cu ft/sk w/ 4% bentonite + .2% Sodium Metasilicate + 3 BWOW NaCl + .4% Fluid Loss Gas Migration Additive. 7.21 GPS H2O.

Slurry 2 Cement Tested @ 150°F

Thickening Time 5hr 37 min

Compressive Strength = 9:34_ 50 psi; 20:08_ 500 psi; 72 hr_1,622 psi
0% FW in 2 hrs

FL = 100 ml/30 min

Gel Strength = 10 sec 4; 10 min 8

PV = 120.9

YP = 13.2

1-Chieftain 18 State # $301\mathrm{H}_1\mathrm{Mi}\ \mathrm{V2}$

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LONG'S METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION								DISTANCE TABLE		
		MD OF	INTERPOL	ATION DEPTH	I,(feet)		STATION A	STATION B		
	#N/A	TVD CO	ORDINATE	OF THE DEP	TH (feet)					
	#N/A			OF DEPTH (fe	, ,					
				`	,			 		
	#N/A	E/W CO	ORDINATE	OF DEPTH (fe	,					
				3 D DISTANCE BI	ETWEEN STATION	A AND STATION B	0.00	ft		
TABL	E OF SURV	EY STAT	IONS				Calculator =			
STA	ΔMD	INCL	AZIM	MD	TVD	N+/S-	E+/W-	DLS		
#	ft	deg	deg	ft	ft	ft	ft	deg/100FT		
1	TIE POINT =>	0	0	2000.00	2000.00	0.00	0.00	-		
2	100	3	345.6	2100.00	2099.95	2.54	-0.65	3.00		
3	100	6	345.6	2200.00	2199.63	10.13	-2.60	3.00		
4	100	9	345.6	2300.00	2298.77	22.77	-5.85	3.00		
5	100	12	345.6	2400.00	2397.08	40.42	-10.38	3.00		
6	100	14	345.6	2500.00	2494.51	62.21	-15.97	2.00		
7	100	14	345.6	2600.00	2591.54	85.64	-21.99	0.00		
8	100	14	345.6	2700.00	2688.57	109.08	-28.01	0.00		
9	2535	14	345.6	5235.00	5148.27	703.08	-180.52	0.00		
10	100	14	345.6	5335.00	5245.30	726.51	-186.54	0.00		
11	100	12	345.6	5435.00	5342.73	748.30	-192.13	2.00		
12	100	9	345.6	5535.00	5441.05	765.95	-196.66	3.00		
13 14	100 100	6 3	345.6 345.6	5635.00 5735.00	5540.18 5639.86	778.59 786.19	-199.91 -201.86	3.00 3.00		
15	100	0	345.6	5835.00	788.72	-201.86	3.00			
16	100	0	0	5935.00	788.72	-202.51	0.00			
17	1318	0	0	7253.00	788.72	-202.51	0.00			
18	100	0	0	7353.00	7157.82 7257.82	788.72	-202.51	0.00		
19	100	0	90	7453.00	7357.82	788.72	-202.51	0.00		
20	100	10	90	7553.00	7457.31	788.72	-193.81	10.00		
21	100	20	90	7653.00	7553.78	788.72	-167.96	10.00		
22	100	30	90	7753.00	7644.30	788.72	-125.75	10.00		
23	100	40	90	7853.00	7726.11	788.72	-68.46	10.00		
24	100	50	90	7953.00	7796.73	788.72	2.16	10.00		
25	100	60	90	8053.00	7854.01	788.72	83.97	10.00		
26	100	70	90	8153.00	7896.22	788.72	174.48	10.00		
27	100	80	90	8253.00	7922.07	788.72	270.95	10.00		
28	90	88.795	90	8343.00	7930.85	788.72	360.44	9.77		
29 30	100 100	88.795 88.795	90 90	8443.00 8543.00	7932.95 7935.05	788.72 788.72	460.41 560.39	0.00		
31	4300	88.795	90	12843.00	8025.48	788.72	4859.44	0.00		
32	63	88.795	90	12906.00	8026.81	788.72	4922.43	0.00		
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1-Chieftain 18 State # $301\mathrm{H}_1\mathrm{Mi}$ V2

STA "	ΔMD	INCL	AZIM	MD	TVD	N+/S-	E+/W-	DLS
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49								
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1-Chieftain 18 State # $301\mathrm{H}_1\mathrm{Mi}$ V2

STA	ΔMD	INCL	AZIM	MD	TVD	N+/S-	E+/W-	DLS
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API#]											
Oper	rator Nar	ne:	<u>I</u>			Prop	perty N	Name:						Well Number
Kick C	Off Point ((KOP)												,
UL	Section	Township	Range	Lot	Feet		From I	N/S	Feet		From	n E/W	County	
Latitu	de		<u> </u>		Longitu	ude	<u> </u>						NAD	
First T	Take Poin	nt (FTP)												
UL	Section	Township	Range	Lot	Feet	et From N/S Feet From E/W			County					
Latitu	de				Longitu	Longitude			NAD					
Last T	ake Poin	t (LTP)												
UL	Section	Township	Range	Lot	Feet	Fron	m N/S	Feet		From E	/W	Count	:y	
Latitude			Longitu	Longitude NAD										
		e defining winfill well?		he Hori	izontal Sp	pacin	g Unit?	?						
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SEC 18, T21S, R26E, Eddy County, New Mexico

Chieftain 18 State Com wells and their anticipated facility are <u>not</u> expected to have Hydrogen Sulfide releases. However, there may be Hydrogen Sulfide production in the nearby area. There are no occupied dwellings within a mile of the area but a contingency plan has been orchestrated. Tascosa Energy Partners, LLC will have a Company Representative living on location throughout the drilling and completion of this well. If Hydrogen Sulfide is detected or suspected, monitoring equipment will be available for monitoring and/or testing. An un-manned H2S safety trailer and monitoring equipment will also be station on location during the drilling operation below the Surface Casing depth of ± 500 ft. to total drilling depth of ± 13,000 ft.

SEC 18, T21S, R26E, Eddy County, New Mexico

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

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

Tascosa Energy Partners, LLC Chieftain 18 State Com **Hydrogen Sulfide Contingency Plan For** Drilling/Workover/Facility SEC 18, T21S, R26E, Eddy County, New Mexico

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

Tascosa Energy Partners, LLC Chieftain 18 State Com **Hydrogen Sulfide Contingency Plan For** Drilling/Workover/Facility SEC 18, T21S, R26E, Eddy County, New Mexico

HYDROGEN	SULFIDE	TRAINING

H2S SAFETY EQUIPMENT AND SYSTEMS

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

SEC 18, T21S, R26E, Eddy County, New Mexico

1. Hydrogen Sulfide Training

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

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

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

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

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

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

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

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

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

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

General H2S Emergency Actions:

- 1. All personnel will immediately evacuate to an up-wind and if possible up-hill "safe area"
- 2. If for any reason a person must enter the hazardous area, they must wear a SCBA (Self Contained Breathing Apparatus)
- 3. Always use the "buddy system"
- 4. Isolate the well/problem if possible
- 5. Account for all personnel
- 6. Display the proper colors warning all unsuspecting personnel of the danger at hand.
- 7. Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed

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At this point the company representative will evaluate the situation and coordinate the necessary duties to bring the situation under control, and if necessary, the notification of the emergency response agencies and nearby residents.

EMERGENCY PROCEDURES FOR AN UNCONTROLLABLE RELEASE OF H2S

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

PROTECTION OF THE GENERAL PUBLIC (Radius of Exposure):

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

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

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

CALCULATION FOR THE 500 PPM ROE:

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

Example:

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

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

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

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

PUBLIC EVACUATION PLAN:

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

PROCEDURE FOR IGNITING AN UNCONTROLABLE CONDITION:

- 1. Human life and/or property are in danger
- 2. There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTION FOR IGNITION:

• 1. Two people are required. They must be equipped with positive pressure, "self - contained breathing apparatus" and a "D" ring style full body, OSHA approved safety harness. Nonflammable rope will be attached.

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- 2. One of the people will be qualified safety person who will test the atmosphere for H2S, Oxygen & LFL. The other person will be the company supervisor; he is responsible for igniting the well.
- 3. Ignite up wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25 mm flare gun shall be used, with a ± 500 ft. range to ignite the gas.
- 4. Prior to ignition, make a final check for combustible gases.
- 5. Following ignition, continue with the emergency actions & procedures as before.
- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 100' from wellhead to be ignited by flare gun or automatic striker.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

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

Auxiliary Rescue Equipment:

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

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

■ Visual warning systems.

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

■ Mud program: Only utilized if H2S has been detected

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

■ Metallurgy: Only utilized if H2S has been detected

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

■ Communication: Only utilized if H2S has been detected

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

USING SELF CONTAINED BREATHING AIR EQUIPMENT (SCBA):

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

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

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

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

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Hydrogen Sulfide (H2S) Toxic Effects

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

٧	ari	ous	Gas	es

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

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

Hazardous Limit: Concentrations that may cause death.

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

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

PHYSICAL EFFECTS OF HYDROGEN SULFIDE:

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



Chieftain 18 State Com – Natural Gas Management Plan

VI. Separation Equipment:

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

VII. Operational Practices:

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

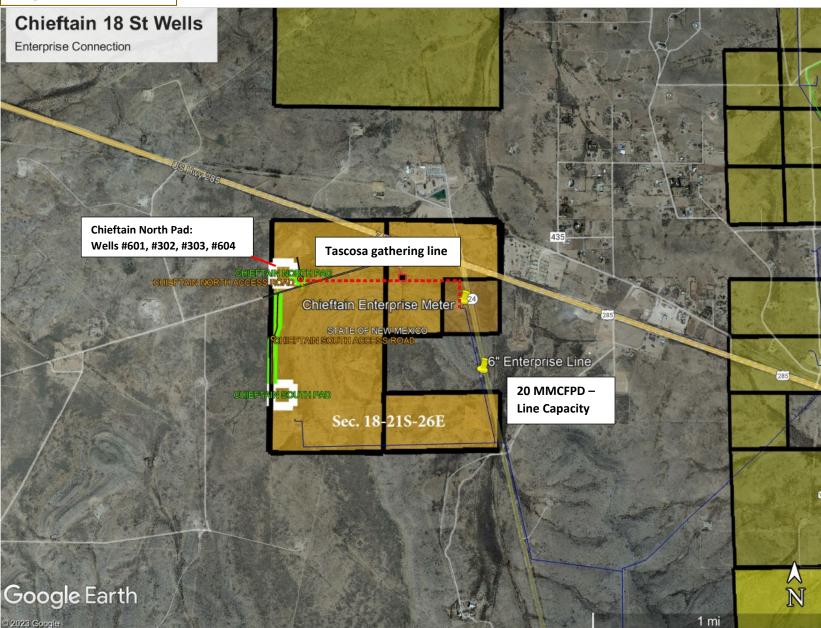


VIII. Best Management Practices:

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

XI. Map:







XIII. Line Pressure:

Tascosa does not have any existing wells connected to the Enterprise pipeline shown in the map above. However, Tascosa is planning for increases in line pressure as the compressor Station experiences higher volumes from other operators. Tascosa has rented a 2 stage, WAW-7044 compressor to prevent downtime or flaring when line pressure does increase. This compressor is rated for discharge pressure of up to 1000 psi, which is the maximum operating line pressure of the Enterprise gas gathering line.



State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description Effective May 25, 2021

I. Operator:Tascos	a Energy Parti	ners, LLC.	OGRID: _	329784	Date:	06/25/2023
II. Type: ☑ Original □] Amendment	due to □ 19.15.27.9.I	O(6)(a) NMA	.C □ 19.15.27.9.D(6)(b) NMAC □ 0	Other.
If Other, please describe	:					
III. Well(s): Provide the be recompleted from a si					vells proposed to	be drilled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Chieftain 18 St Com #601H		Lot 1 18-21S-26E	257' FWL	900	3500	1100
V. Anticipated Schedul proposed to be recomple Well Name	e: Provide the	gle well pad or connec			ell or set of wells Initial F	
Chieftain 18 St Com #601H		1/1/2024	1/21/2024	2/15/2024	3/1/20	024 3/15/2024
VII. Operational Pract Subsection A through F	ices: Attacof 19.15.27.8	h a complete descript NMAC.	tion of the ac	ctions Operator will	take to comply	t to optimize gas capture. with the requirements of ices to minimize venting

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that reporting area must complete this section.		ance with its statewide natural gas ca	apture requirement for the applicable
☐ Operator certifies that it is not require capture requirement for the applicable rep IX. Anticipated Natural Gas Production	oorting area.	section because Operator is in comp	pliance with its statewide natural gas
Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF
Chieftain 18 State Com #601H		3500	838,500
X. Natural Gas Gathering System (NG	GS):	1	

Operator	System	ULSTR of Tie-in	Anticipated Gathering	Available Maximum Daily Capacity
			Start Date	of System Segment Tie-in
Enterprise	South Eddy	18-21S-26E	12/31/2023	20 MMCFPD

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

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

Section 3 - Certifications 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: Alyssa McNear
Printed Name: Alyssa McNear
Title: Engineering Manager
E-mail Address: adavanzo@tascosaep.com
Date: 6/21/2023
Phone: 720-244-4417
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:
<u>I</u>