<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 357750

| | APPLICATION FOR PERIVIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD | AZUNE |
|---------------------------|--|----------------|
| Operator Name and Address | | 2. OGRID Numbe |

| _ | | | | | | | | | |
|---|------------------------------|---------------------|-----------------|--|--|--|--|--|--|
| ſ | Operator Name and Address | | 2. OGRID Number | | | | | | |
| | Silverback Operating II, LLC | | 330968 | | | | | | |
| | 19707 IH10 West, Suite 201 | 3. API Number | | | | | | | |
| | San Antonio, TX 78256 | | 30-015-54791 | | | | | | |
| ſ | 4. Property Code | 5. Property Name | 6. Well No. | | | | | | |
| | 333472 | NETHERLIN STATE COM | 101H | | | | | | |

7. Surface Location

| UL - Lot | Section | | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I | | 16 | 18S | 26E | | 1321 | S | 236 | E | Eddy |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|--|--|--|
| M | 16 | 18S | 26E | М | 440 | S | 100 | W | Eddy | | | |

9. Pool Information

| ATOKA;GLORIETA-YESO | 3250 |
|---------------------|------|

Additional Well Information

| 11. Work Type | 12. Well Type | 13. Cable/Rotary | 14. Lease Type | 15. Ground Level Elevation |
|-----------------------|--------------------|-----------------------------|----------------|-----------------------------------|
| New Well | OIL | | State | 3355 |
| 16. Multiple | 17. Proposed Depth | 18. Formation | 19. Contractor | 20. Spud Date |
| N | 8213 | Yeso | | 8/8/2024 |
| Depth to Ground water | | Distance from nearest fresh | h water well | Distance to nearest surface water |
| | | | | |

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

21. Proposed Casing and Cement Program

| | 21. Froposed Casing and Cement Frogram | | | | | | | | | | | |
|------|--|-------------|------------------|---------------|-----------------|---------------|--|--|--|--|--|--|
| Туре | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC | | | | | | |
| Sur | 12.25 | 9.625 | 36 | 1291 | 286 | 0 | | | | | | |
| Prod | 8.75 | 7 | 32 | 3393 | 165 | 0 | | | | | | |
| Proc | 8 75 | 5.5 | 20 | 8213 | 1250 | 2058 | | | | | | |

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

| Туре | Type Working Pressure | | Manufacturer |
|------------|-----------------------|------|--------------|
| Double Ram | 5000 | 5000 | Shaffer |
| · | · | - | _ |

| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable. | | | | OIL CONSERVATION | ON DIVISION |
|---|------------------------------------|------|----------------|------------------|----------------------------|
| Signature: | | | | | |
| Printed Name: | Electronically filed by Matthew A | lley | Approved By: | Ward Rikala | |
| Title: | le: Chief Financial Officer | | | | |
| Email Address: malley@silverbackexp.com | | | Approved Date: | 2/28/2024 | Expiration Date: 2/28/2026 |
| Date: | Date: 2/5/2024 Phone: 303-513-0990 | | | oval 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 <u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number 30-015 -54791 | | ² Pool Code 3250 3250 ATOKA; GLORIETA-YESO | |) | |
|---|--|--|---|----------------------------------|--|
| ⁴ Property Code 333472 | | | Property Name 6 Well Number RLIN STATE COM 101H | | |
| ⁷ OGRID No. 330968 | | | perator Name OPERATING II, LLC | ⁹ Elevation 3,355' | |

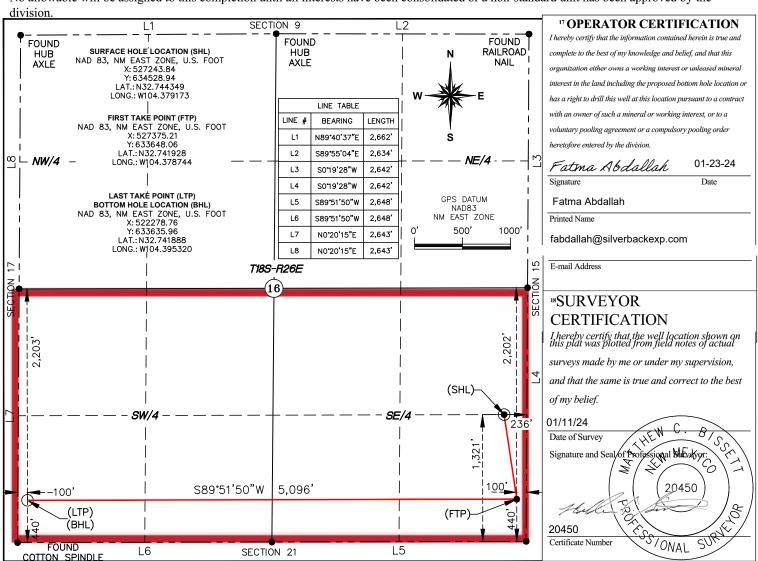
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I | 16 | 18-S | 26-E | | 1,321' | SOUTH | 236' | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. M | Section 16 | Township 18-S | Range 26-E | Lot Idn | Feet from the 440' | North/South line SOUTH | Feet from the 100' | East/West line WEST | County EDDY |
|--------------------|------------------------|------------------|---------------|------------|--------------------|---------------------------|-----------------------|------------------------|----------------|
| 12 Dedicated Acres | ¹³ Joint or | Infill 14 (| Consolidation | Code 15 Or | der No. | | | | |
| 320 | | | | | | | | | |

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



<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

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 APD Conditions

Permit 357750

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: |
|---------------------------------------|---------------------------|
| Silverback Operating II, LLC [330968] | 30-015-54791 |
| 19707 IH10 West, Suite 201 | Well: |
| San Antonio, TX 78256 | NETHERLIN STATE COM #101H |

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

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

| | | <u>Et</u> | <u>fective May 25,</u> | <u>2021</u> | | | | |
|---|-------------------|----------------------|------------------------|----------------------------|--------------------------|----------|---------------------------------|--|
| I. Operator: Silve | erback Operating | g II, LLC. | OGRID: | 330968 | Date: | _02_/_ | 01 / 2024 | |
| II. Type: ☑ Original | □Amendment du | ue to □ 19.15.27.9. | D(6)(a) NMAC [| □ 19.15.27.9.D(6) | (b) NMAC □ O | ther. | | |
| If Other, please descri | be: | | | | | | - | |
| III. Well(s): Provide to be recompleted from a | | | | | vells proposed to | be dri | lled or proposed to | |
| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | P | Anticipated roduced Water BBL/D | |
| Netherlin State Com 101H | 30-015- | I-16-18S-26E | 1321' FSL 236' FEL | 515 | 440 | | 3000 | |
| Netherlin State Com 102H | 30-015-50082 | I-16-18S-26E | 1341' FSL 236' FEL | 515 | 440 | | 3000 | |
| Netherlin State Com 103H | 30-015-50083 | I-16-18S-26E | 1361' FSL 237' FEL | 515 | 440 | 1 | 3000 | |
| IV. Central Delivery | Point Name: | Netherlin State | Com CTB | 313 | [See | 19.15.2 | 7.9(D)(1) NMAC] | |
| V. Anticipated Sched proposed to be recomp | oleted from a sin | | | | | | osed to be drilled or | |
| Well Name | API | Spud Date | TD Reached Date | Completion Commencement | | | First Production Date | |
| Netherlin State Com 101H | 30-015 | 8/8/2024 | 9/27/2024 | 11/4/2024 | 11/30/2 | 024 | 11/30/2024 | |
| Netherlin State Com 102H | 30-015-50082 | 8/10/2024 | 10/3/2024 | 11/4/2024 | 12/1/20 | | 12/1/2024 | |
| Netherlin State Com 103H | 30-015-50083 | 8/12/2024 | 10/9/2024 | 11/4/2024 | 12/2/20 | 24 | 12/2/2024 | |
| VI. Separation Equip | oment: 🗵 Attacl | h a complete descrij | ption of how Ope | erator will size sepa | aration equipme | nt to op | timize gas capture. | |

- VII. Operational Practices:

 Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.
- VIII. Best Management Practices:

 Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 Enhanced Plan

| | EFFECTIVE APRIL 1, 2022 | | | | | | | | | | |
|----------------------|---|---|---|---|--|--|--|--|--|--|--|
| | 2022, an operator th complete this section | | e with its statewide natural g | as capture requirement for the applicable | | | | | | | |
| _ | es that it is not requir t for the applicable re | _ | ction because Operator is in | compliance with its statewide natural gas | | | | | | | |
| IX. Anticipated Na | atural Gas Productio | on: | | | | | | | | | |
| Well | | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF | | | | | | | |
| | | | | | | | | | | | |
| X. Natural Gas Ga | nthering System (NG | GS): | | | | | | | | | |
| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in | | | | | | | |
| | | | | | | | | | | | |
| production operatio | ns to the existing or p | lanned interconnect of | · / · | aticipated pipeline route(s) connecting the tem(s), and the maximum daily capacity of nected. | | | | | | | |
| | | hering system X will I the date of first produc | | eather 100% of the anticipated natural gas | | | | | | | |
| | | | | ted to the same segment, or portion, of the in line pressure caused by the new well(s). | | | | | | | |
| ☐ Attach Operator | 's plan to manage pro | duction in response to t | the increased line pressure. | | | | | | | | |
| Section 2 as provide | ed in Paragraph (2) of | * * | .27.9 NMAC, and attaches a f | SA 1978 for the information provided in full description of the specific information | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Section 3 - Certifications Effective May 25, 2021

| Operator certifies that, a | after reasonable inquiry and based on the available information at the time of submittal: |
|---|---|
| one hundred percent of | to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering |
| hundred percent of the a into account the current | able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. box, Operator will select one of the following: |
| Well Shut-In. □ Opera | tor 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 | |
| alternative beneficial us | lan. Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential es 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: |

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

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become (a) 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
- 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: Fatma Abdallah |
|---|
| Printed Name: Fatma Abdallah |
| Title: Regulatory Manager |
| E-mail Address: fabdallah@silverbackexp.com |
| Date: 02/05/2024 |
| Phone: 210-585-3316 |
| OIL CONSERVATION DIVISION |
| (Only applicable when submitted as a standalone form) |
| Approved By: |
| Title: |
| Approval Date: |
| Conditions of Approval: |
| |
| |
| |
| |

Separation Equipment

Silverback Operating II (LLC) has sampled existing producing wells and performed laboratory testing to determine composition. Performance of existing producing wells was analyzed to predict expected production volumes including a low probably, high volume production case (approximately 75% higher than type curve or most likely amount of production). Production composition and the volumes were utilized as inputs to a process model which predicts relative amounts of gas, oil and water throughout the process. The high volume case was used to size equipment, piping and instrumentation. Equipment sizing is based on drop settlement and limits the amount of carry over to the gas phase.

Each well has a dedicated 3 phase separator and gas from that separator is taken directly to gas sales. Facility piping and pipeline were sized to allow peak volumes to flow with minimal pressure loss and deliver to midstream gatherer at an acceptable pressure. Water is conveyed directly to tankage.

Oil from 3 phase separators is comingled and conveyed to a heated separator for enhanced liquid-liquid separation and degassing. Vapors from the heater treater are routed to flare. Oil and water storage tanks vapor outlets are common and utilize a closed vent vapor system to ensure all working & breathing and flashing losses are routed to the flare which is sized to accommodate peak expected production volume. Flash volumes were estimated using the high volume case and process modeling software.

Operational Practices

Silverback Operating II, LLC will ensure pipeline connectivity before producing hydrocarbons and will operate a closed vent vapor capture system that is designed to capture all associated and evolved gas during normal operation. Venting will only occur during maintenance activities or equipment failure or upset. Silverback may utilize the following from list A-I of Section 3 for its operations to minimize flaring:

- Power generation on lease Natural gas driven gen set to produce power required to run supply well pad electrical loads
- Compression on lease gas lift or gas compression as required
- Liquids removal on lease gas pressure will be used to convey fluids as needed

Best Management Practices

Silverback utilizes automate engineering controls included in facility design to minimize venting and flaring. Additionally, operational best practices support minimization of flare and venting as described below.

If the main gas outlet becomes unavailable and pressure increases on the outlet sales line, produced gas will be routed directly to the facility flare. The facility control system will alert personnel to the need for maintenance and appropriate response to the temporary flaring event.

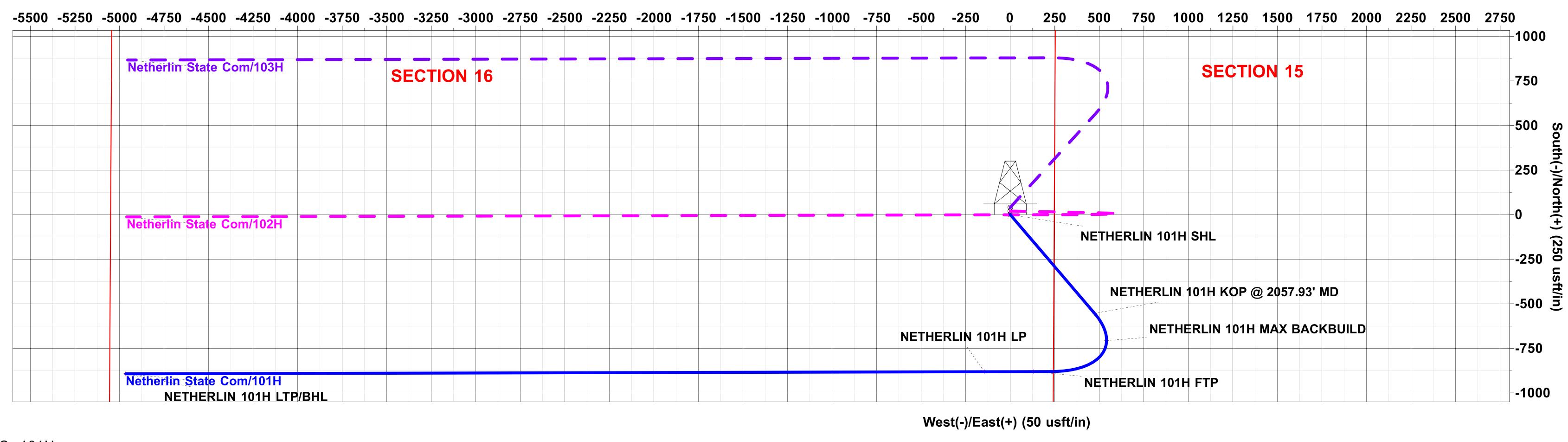
The facility design includes a closed vent vapor capture system to route flash or evolved from the heater treater and tanks to the flare.

For maintenance activities, Silverback will utilize the facility flare to blowdown equipment and piping whenever practical to minimize venting

Project: EDDY COUNTY, NM (NAD 83 - NME)

Site: Netherlin State Com

Well: 101H Wellbore: Wellbore #1 Design: Plan 2r1



SECTION 16

NETHERLIN 101H LP

West(-)/East(+) (50 usft/in)

-5100 -5050 -5000 -4950 -4900 -4850 -4800 -4750 -4700 -4650 -4600 -4550

NETHERLIN 101H LTP/BHL

Start 4820.00 hold at 3393.39 MD

TD at 8213.39

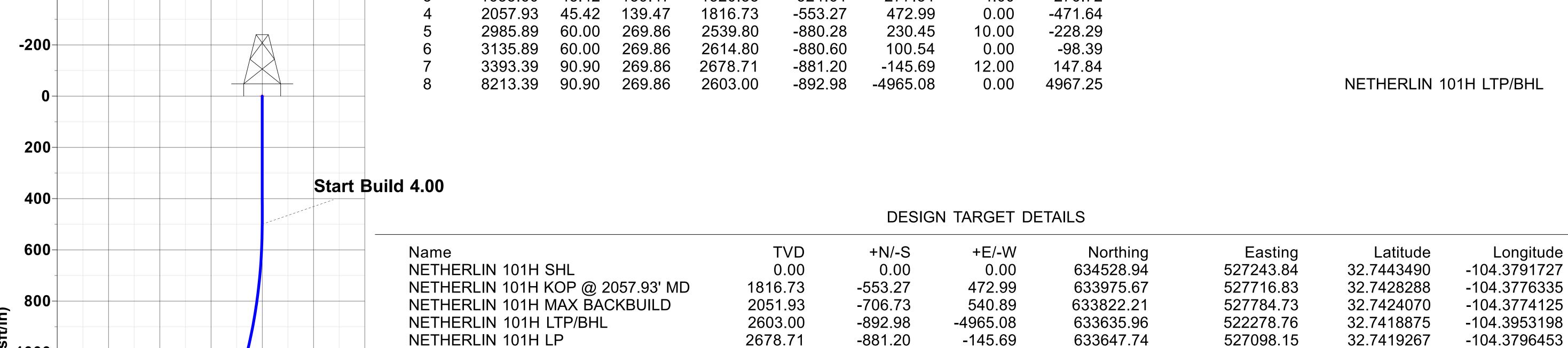
Netherlin State Com/101H

West(-)/East(+) (250 usft/in)

WELL DETAILS: 101H

RKB = 20' @ 3375.00usft (TBD) -104.3791727

SECTION DETAILS Target **VSect** +N/-S 0.00



2683.00



131.37

633648.06

-880.88

Geodetic System: US State Plane 1983 Ellipsoid: GRS 1980 Zone: New Mexico Eastern Zone

Datum: North American Datum 1983 System Datum: Mean Sea Level TD at 8213.39 NETHERLIN 101H LTP/BHL

527375.21

NETHERLIN 101H FTP

Start Build 12.00

Start 150.00 hold at 2985.89 MD

West(-)/East(+) (10 usft/in)

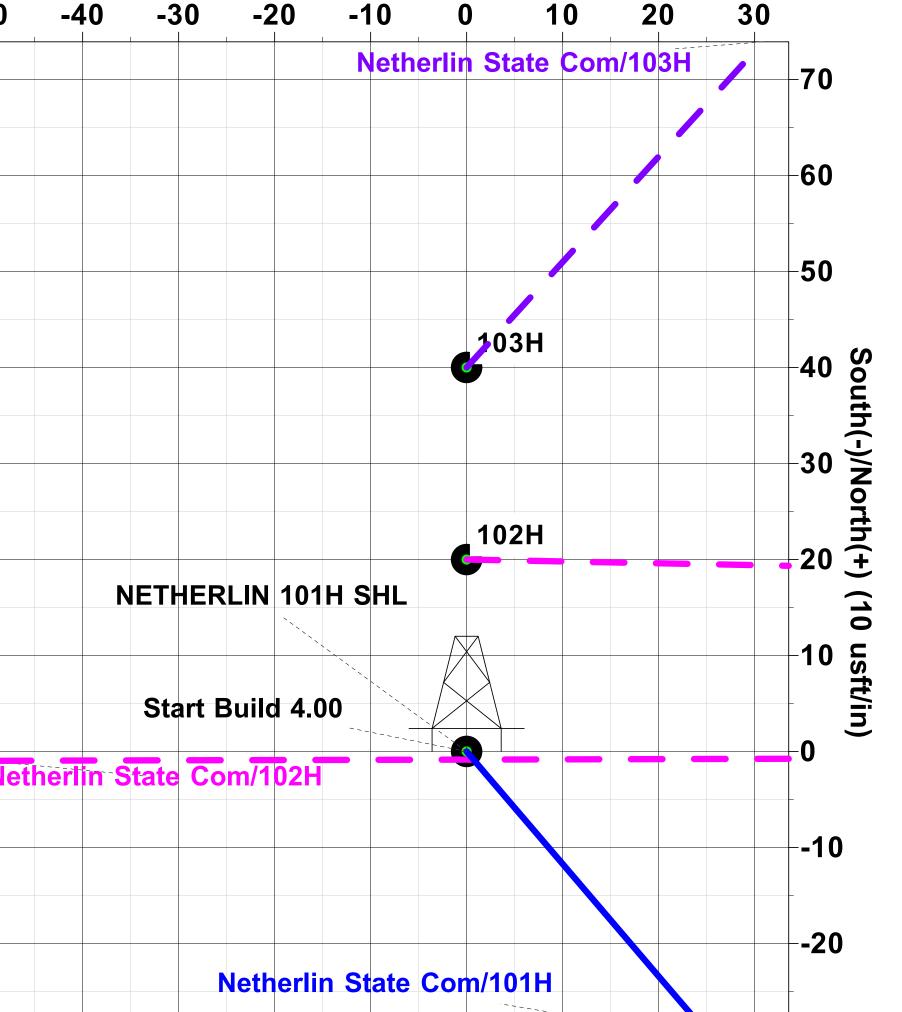
SECTION 15

NETHERLIN 101H KOP @ 2057.93' MD

Start DLS 10.00 TFO 138.668

NETHERLIN 101H MAX BACKBUILD

-750**∂**



Vertical Section at 269.86° (200 usft/in)

32.7419279

-104.3787442

Plan: Plan 2r1 (101H/Wellbore #1)

Note: this document is provided for information purposes only. Prototype Well Planning LLC, it's employees, and agents make no guarantee or warranty, expressed or implied, as to the accuracy of this electronica file. The data included here and may be subject to error, while corruption, change, alteration, or update without any notice to the user. Prototype Well Planning LLC, it's employees, and it's agents assume no responsibility, expressed or implied, for any damages incurred either directly or indirectly by the use of this document. The users agree to the above specified terms of this document and agrees to verify the data enclosed to ascertain its accuracy for their intended use. If these conditions are unacceptable, user shall discard this document.

NETHERLIN 101H FTP

Start Build 12.00 Start 4820.00 hold at 3393.39 MD

NETHERLIN 101H KOP @ 2057.93' MD

Start DLS 10.00 TFO 138.668

NETHERLIN 101H FTP

NETHERLIN 101H MAX BACKBUILD

Start 150.00 hold at 2985.89 MD

NETHERLIN 101H LP

2000-

2200-

2400-

2600-

2800

Created By: PROTOTYPE WELL PLANNING / Date: 15:56, January 15 2024



SILVERBACK EXPLORATION

EDDY COUNTY, NM (NAD 83 - NME) Netherlin State Com 101H

Wellbore #1

Plan: Plan 2r1

Standard Planning Report

15 January, 2024



Database: EDM 5000.1.13 Single User Db
Company: SILVERBACK EXPLORATION
Project: EDDY COUNTY, NM (NAD 83 - NME)

Site: Netherlin State Com

Well: 101H
Wellbore: Wellbore #1
Design: Plan 2r1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 101H

RKB = 20' @ 3375.00usft (TBD) RKB = 20' @ 3375.00usft (TBD)

Grid

Minimum Curvature

Project EDDY COUNTY, NM (NAD 83 - NME)

Map System:US State Plane 1983Geo Datum:North American Datum 1983Map Zone:New Mexico Eastern Zone

System Datum:

Mean Sea Level

Site Netherlin State Com

Site Position: Northing: 634,833.89 usft 32.7451871 Latitude: From: Мар Easting: 527,198.88 usft Longitude: -104.3793193 **Position Uncertainty:** 0.00 usft Slot Radius: 13-3/16 " **Grid Convergence:** -0.025 °

Well 101H

Well Position +N/-S Latitude: -304.95 usft Northing: 634,528.94 usft 32.7443490 +E/-W 44.96 usft Easting: 527,243.84 usft Longitude: -104.3791727 **Position Uncertainty** 0.00 usft Wellhead Elevation: 0.00 usft **Ground Level:** 3,355.00 usft

Wellbore #1 Wellbore Field Strength **Magnetics Model Name** Sample Date Declination **Dip Angle** (°) (nT) (°) 60.186 47,504 IGRF2020 07/05/23 6.720

Design Plan 2r1

Audit Notes:

Version: Phase: PLAN Tie On Depth: 0.00

 Vertical Section:
 Depth From (TVD) (usft)
 +N/-S (usft)
 +E/-W (usft)
 Direction (°)

 0.00
 0.00
 0.00
 0.00
 269.86

| Plan Section | S | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|------------------------------|-----------------------------|------------|----------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 | |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 | |
| 1,635.60 | 45.42 | 139.47 | 1,520.33 | -324.61 | 277.51 | 4.00 | 4.00 | 0.00 | 139.473 | |
| 2,057.93 | 45.42 | 139.47 | 1,816.73 | -553.27 | 472.99 | 0.00 | 0.00 | 0.00 | 0.000 | |
| 2,985.89 | 60.00 | 269.86 | 2,539.80 | -880.28 | 230.45 | 10.00 | 1.57 | 14.05 | 138.668 | |
| 3,135.89 | 60.00 | 269.86 | 2,614.80 | -880.60 | 100.54 | 0.00 | 0.00 | 0.00 | 0.000 | |
| 3,393.39 | 90.90 | 269.86 | 2,678.71 | -881.20 | -145.69 | 12.00 | 12.00 | 0.00 | 0.000 | |
| 8,213.39 | 90.90 | 269.86 | 2,603.00 | -892.98 | -4,965.08 | 0.00 | 0.00 | 0.00 | 0.000 | NETHERLIN 101H |



Database: EDM 5000.1.13 Single User Db
Company: SILVERBACK EXPLORATION
Project: EDDY COUNTY, NM (NAD 83 - NME)

Site: Netherlin State Com

Well: 101H
Wellbore: Wellbore #1
Design: Plan 2r1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well 101H

RKB = 20' @ 3375.00usft (TBD) RKB = 20' @ 3375.00usft (TBD)

Grid

Minimum Curvature

| anne | ed Survey | | | | | | | | | |
|------|-----------|----------------|------------------|----------------------|--------------------|------------------|--------------------|----------------|----------------|---------------|
| | | | | | | | | | | |
| | Measured | | | Vertical | | | Vertical | Dogleg | Build | Turn |
| | Depth | Inclination | Azimuth | Depth | +N/-S | +E/-W | Section | Rate | Rate | Rate |
| | (usft) | (°) | (°) | (usft) | (usft) | (usft) | (usft) | (°/100usft) | (°/100usft) | (°/100usft) |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | IN 101H SHL | | | | | | | | |
| | 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 | 4.00 | 139.47 | 599.92 | -2.65 | 2.27 | -2.26 | 4.00 | 4.00 | 0.00 |
| | 700.00 | 8.00 | 139.47 | 699.35 | -10.60 | 9.06 | -9.03 | 4.00 | 4.00 | 0.00 |
| | 800.00 | 12.00 | 139.47 | 797.81 | -23.79 | 20.34 | -20.28 | 4.00 | 4.00 | 0.00 |
| | 900.00 | 16.00 | 139.47 | 894.82 | -42.18 | 36.06 | -35.95 | 4.00 | 4.00 | 0.00 |
| | 1,000.00 | 20.00 | 139.47 | 989.91 | -65.66 | 56.13 | -55.97 | 4.00 | 4.00 | 0.00 |
| | 1,100.00 | 24.00 | 139.47 | 1,082.61 | -94.13 | 80.47 | -80.24 | 4.00 | 4.00 | 0.00 |
| | 1,200.00 | 28.00 | 139.47 | 1,172.47 | -127.44 | 108.95 | -108.64 | 4.00 | 4.00 | 0.00 |
| | 1,300.00 | 32.00 | 139.47 | 1,259.05 | -165.44 | 141.43 | -141.03 | 4.00 | 4.00 | 0.00 |
| | 1,400.00 | 36.00 | 139.47 | 1,341.94 | -207.93 | 177.76 | -177.26 | 4.00 | 4.00 | 0.00 |
| | 1.500.00 | 40.00 | 139.47 | 1,420.73 | -254.72 | 217.76 | -217.14 | 4.00 | 4.00 | 0.00 |
| | 1,600.00 | 44.00 | 139.47 | 1,420.73 | -254.72 -305.57 | 261.23 | -217.14 -260.49 | 4.00 | 4.00 | 0.00 |
| | 1,600.00 | 44.00 45.42 | 139.47 | 1,495.02 | -305.57 -324.61 | 201.23 277.51 | -260.49 -276.72 | 4.00 | 4.00 | 0.00 |
| | 1,700.00 | 45.42 | 139.47 | 1,520.53 | -359.48 | 307.32 | -306.44 | 0.00 | 0.00 | 0.00 |
| | 1,800.00 | 45.42 | 139.47 | 1,635.71 | -413.62 | 353.60 | -352.59 | 0.00 | 0.00 | 0.00 |
| | • | | | • | | | | | | |
| | 1,900.00 | 45.42 | 139.47 | 1,705.89 | -467.76 | 399.89 | -398.75 | 0.00 | 0.00 | 0.00 |
| | 2,000.00 | 45.42 | 139.47 | 1,776.08 | -521.91 | 446.18 | -444.90 | 0.00 | 0.00 | 0.00 |
| | 2,057.93 | 45.42 | 139.47 | 1,816.73 | -553.27 | 472.99 | -471.64 | 0.00 | 0.00 | 0.00 |
| | | IN 101H KOP (| | | F70 07 | 404.45 | 400.74 | 40.00 | 7.04 | 0.04 |
| | 2,100.00 | 42.34 38.89 | 143.60 149.16 | 1,847.06 1,885.03 | -576.07 -603.12 | 491.15 509.19 | -489.74 -507.72 | 10.00 10.00 | -7.34 -6.90 | 9.81 11.13 |
| | 2,150.00 | | | 1,000.03 | | | -307.72 | | | |
| | 2,200.00 | 35.74 | 155.58 | 1,924.80 | -629.91 | 523.28 | -521.74 | 10.00 | -6.29 | 12.84 |
| | 2,250.00 | 32.99 | 162.99 | 1,966.09 | -656.24 | 533.31 | -531.70 | 10.00 | -5.50 | 14.81 |
| | 2,300.00 | 30.74 | 171.46 | 2,008.57 | -681.91 | 539.19 | -537.52 | 10.00 | -4.49 | 16.94 |
| | 2,350.00 | 29.12 | 180.95 | 2,051.93 | -706.73 | 540.89 | -539.16 | 10.00 | -3.25 | 18.97 |
| | | IN 101H MAX I | | 2.005.00 | 720.50 | E00.00 | E00.00 | 40.00 | 4.00 | 20.52 |
| | 2,400.00 | 28.22 | 191.21 | 2,095.82 | -730.50 | 538.39 | -536.60 | 10.00 | -1.80 | 20.53 |
| | 2,450.00 | 28.12 | 201.81 | 2,139.93 | -753.05 | 531.71 | -529.87 | 10.00 | -0.20 | 21.20 |
| | 2,500.00 | 28.83 | 212.21 | 2,183.91 | -774.21 | 520.90 | -519.00 | 10.00 | 1.42 | 20.79 |
| | 2,550.00 | 30.29 | 221.91 | 2,227.42 | -793.80 | 506.04 | -504.10 | 10.00 | 2.92 | 19.41 |
| | 2,600.00 | 32.40 | 230.64 | 2,270.15 | -811.70 | 487.25 | -485.26 | 10.00 | 4.22 | 17.45 |
| | 2,650.00 | 35.04 | 238.30 | 2,311.75 | -827.74 | 464.67 | -462.64 | 10.00 | 5.28 | 15.32 |
| | 2,700.00 | 38.10 | 244.94 | 2,351.92 | -841.83 | 438.47 | -436.41 | 10.00 | 6.12 | 13.29 |
| | 2,750.00 | 41.48 | 250.70 | 2,390.35 | -853.84 | 408.85 | -406.76 | 10.00 | 6.77 | 11.52 |
| | 2,800.00 | 45.11 | 255.71 | 2,426.74 | -863.69 | 376.03 | -373.92 | 10.00 | 7.27 | 10.02 |
| | 2,850.00 | 48.94 | 260.12 | 2,460.83 | -871.30 | 340.27 | -338.14 | 10.00 | 7.65 | 8.80 |
| | 2,900.00 | 52.92 | 264.02 | 2,492.34 | -876.62 | 301.84 | -299.70 | 10.00 | 7.95 | 7.82 |
| | 2,950.00 | 57.01 | 267.54 | 2,521.05 | -879.60 | 261.03 | -258.88 | 10.00 | 8.18 | 7.03 |
| | 2,985.89 | 60.00 | 269.86 | 2,539.80 | -880.28 | 230.45 | -228.29 | 10.00 | 8.34 | 6.47 |
| | 3,000.00 | 60.00 | 269.86 | 2,546.86 | -880.31 | 218.23 | -216.07 | 0.00 | 0.00 | 0.00 |
| | 3,100.00 | 60.00 | 269.86 | 2,596.86 | -880.53 | 131.62 | -129.47 | 0.00 | 0.00 | 0.00 |
| | 3,135.89 | 60.00 | 269.86 | 2,614.80 | -880.60 | 100.54 | -98.39 | 0.00 | 0.00 | 0.00 |
| | 3,142.19 | 60.76 | 269.86 | 2,617.91 | -880.62 | 95.06 | -92.91 | 12.00 | 12.00 | 0.00 |
| | | IN 101H FTP | 200.00 | _,0 | 300.02 | 55.00 | 02.01 | .2.00 | .2.00 | 0.00 |
| | 3,150.00 | 61.69 | 269.86 | 2,621.67 | -880.63 | 88.22 | -86.07 | 12.00 | 12.00 | 0.00 |
| | 3,175.00 | 64.69 | 269.86 | 2,632.95 | -880.69 | 65.91 | -63.76 | 12.00 | 12.00 | 0.00 |
| | 3,200.00 | 67.69 | 269.86 | 2,643.04 | -880.74 | 43.04 | -40.89 | 12.00 | 12.00 | 0.00 |
| | 3,225.00 | 70.69 | 269.86 | 2,651.92 | -880.80 | 19.67 | -17.52 | 12.00 | 12.00 | 0.00 |



EDM 5000.1.13 Single User Db Database: SILVERBACK EXPLORATION Company: Project: EDDY COUNTY, NM (NAD 83 - NME)

Site: Netherlin State Com

101H Well: Wellbore: Wellbore #1 Design: Plan 2r1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference: **Survey Calculation Method:**

Well 101H

RKB = 20' @ 3375.00usft (TBD) RKB = 20' @ 3375.00usft (TBD)

Minimum Curvature

| Planned Survey | | | | | | | | | |
|--|---|--|--|---|---|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 3,250.00 | 73.69 | 269.86 | 2,659.56 | -880.86 | -4.13 | 6.28 | 12.00 | 12.00 | 0.00 |
| 3,275.00 | 76.69 | 269.86 | 2,665.95 | -880.92 | -28.29 | 30.45 | 12.00 | 12.00 | 0.00 |
| 3,300.00 | 79.69 | 269.86 | 2,671.06 | -880.98 | -52.76 | 54.92 | 12.00 | 12.00 | 0.00 |
| 3,325.00 | 82.69 | 269.86 | 2,674.89 | -881.04 | -77.47 | 79.62 | 12.00 | 12.00 | 0.00 |
| 3,350.00 | 85.69 | 269.86 | 2,677.42 | -881.10 | -102.33 | 104.49 | 12.00 | 12.00 | 0.00 |
| 3,375.00 | 88.69 | 269.86 | 2,678.64 | -881.16 | -127.30 | 129.45 | 12.00 | 12.00 | 0.00 |
| 3,393.39 | 90.90 | 269.86 | 2,678.71 | -881.20 | -145.69 | 147.84 | 12.00 | 12.00 | 0.00 |
| NETHERL | IN 101H LP | | | | | | | | |
| 3,400.00 | 90.90 | 269.86 | 2,678.61 | -881.22 | -152.30 | 154.45 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 90.90 | 269.86 | 2,677.03 | -881.46 | -252.29 | 254.44 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 90.90 | 269.86 | 2,675.46 | -881.71 | -352.27 | 354.43 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 90.90 | 269.86 | 2,673.89 | -881.95 | -452.26 | 454.41 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 90.90 | 269.86 | 2,672.32 | -882.20 | -552.25 | 554.40 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 90.90 | 269.86 | 2,670.75 | -882.44 | -652.24 | 654.39 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 90.90 | 269.86 | 2,669.18 | -882.69 | -752.22 | 754.38 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 90.90 | 269.86 | 2,667.61 | -882.93 | -852.21 | 854.37 | 0.00 | 0.00 | 0.00 |
| 4,200.00 4,300.00 4,400.00 4,500.00 4,600.00 | 90.90 90.90 90.90 90.90 90.90 | 269.86 269.86 269.86 269.86 269.86 | 2,666.04 2,664.47 2,662.90 2,661.33 2,659.76 | -883.42 -883.66 -883.91 -884.15 | -952.20 -1,052.19 -1,152.17 -1,252.16 -1,352.15 | 954.35 1,054.34 1,154.33 1,254.32 1,354.30 | 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 |
| 4,700.00 | 90.90 | 269.86 | 2,658.19 | -884.40 | -1,452.13 | 1,454.29 | 0.00 | 0.00 | 0.00 |
| 4,800.00 | 90.90 | 269.86 | 2,656.62 | -884.64 | -1,552.12 | 1,554.28 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 90.90 | 269.86 | 2,655.04 | -884.88 | -1,652.11 | 1,654.27 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 90.90 | 269.86 | 2,653.47 | -885.13 | -1,752.10 | 1,754.25 | 0.00 | 0.00 | 0.00 |
| 5,100.00 | 90.90 | 269.86 | 2,651.90 | -885.37 | -1,852.08 | 1,854.24 | 0.00 | 0.00 | 0.00 |
| 5,200.00 | 90.90 | 269.86 | 2,650.33 | -885.62 | -1,952.07 | 1,954.23 | 0.00 | 0.00 | 0.00 |
| 5,300.00 | 90.90 | 269.86 | 2,648.76 | -885.86 | -2,052.06 | 2,054.22 | 0.00 | 0.00 | 0.00 |
| 5,400.00 | 90.90 | 269.86 | 2,647.19 | -886.11 | -2,152.05 | 2,154.21 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 90.90 | 269.86 | 2,645.62 | -886.35 | -2,252.03 | 2,254.19 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 90.90 | 269.86 | 2,644.05 | -886.60 | -2,352.02 | 2,354.18 | 0.00 | 0.00 | 0.00 |
| 5,700.00 | 90.90 | 269.86 | 2,642.48 | -886.84 | -2,452.01 | 2,454.17 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 90.90 | 269.86 | 2,640.91 | -887.08 | -2,552.00 | 2,554.16 | 0.00 | 0.00 | 0.00 |
| 5,900.00 | 90.90 | 269.86 | 2,639.34 | -887.33 | -2,651.98 | 2,654.14 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 90.90 | 269.86 | 2,637.77 | -887.57 | -2,751.97 | 2,754.13 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 90.90 | 269.86 | 2,636.20 | -887.82 | -2,851.96 | 2,854.12 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 90.90 | 269.86 | 2,634.62 | -888.06 | -2,951.95 | 2,954.11 | 0.00 | 0.00 | 0.00 |
| 6,300.00 | 90.90 | 269.86 | 2,633.05 | -888.31 | -3,051.93 | 3,054.09 | 0.00 | 0.00 | 0.00 |
| 6,400.00 | 90.90 | 269.86 | 2,631.48 | -888.55 | -3,151.92 | 3,154.08 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 90.90 | 269.86 | 2,629.91 | -888.79 | -3,251.91 | 3,254.07 | 0.00 | 0.00 | 0.00 |
| 6,600.00 6,700.00 6,800.00 6,900.00 7,000.00 | 90.90 90.90 90.90 90.90 90.90 | 269.86 269.86 269.86 269.86 | 2,628.34 2,626.77 2,625.20 2,623.63 2,622.06 | -889.04 -889.28 -889.53 -889.77 -890.02 | -3,351.89 -3,451.88 -3,551.87 -3,651.86 -3,751.84 | 3,354.06 3,454.04 3,554.03 3,654.02 3,754.01 | 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 |
| 7,100.00 | 90.90 | 269.86 | 2,620.49 | -890.26 | -3,851.83 | 3,854.00 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 90.90 | 269.86 | 2,618.92 | -890.50 | -3,951.82 | 3,953.98 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 90.90 | 269.86 | 2,617.35 | -890.75 | -4,051.81 | 4,053.97 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 90.90 | 269.86 | 2,615.78 | -890.99 | -4,151.79 | 4,153.96 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 90.90 | 269.86 | 2,614.21 | -891.24 | -4,251.78 | 4,253.95 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 90.90 | 269.86 | 2,612.63 | -891.48 | -4,351.77 | 4,353.93 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 90.90 | 269.86 | 2,611.06 | -891.73 | -4,451.76 | 4,453.92 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 90.90 | 269.86 | 2,609.49 | -891.97 | -4,551.74 | 4,553.91 | 0.00 | 0.00 | 0.00 |



Database:EDM 5000.1.13 Single User DbCompany:SILVERBACK EXPLORATIONProject:EDDY COUNTY, NM (NAD 83 - NME)

Site: Netherlin State Com

Well: 101H
Wellbore: Wellbore #1
Design: Plan 2r1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 101H

RKB = 20' @ 3375.00usft (TBD) RKB = 20' @ 3375.00usft (TBD)

Grid

Minimum Curvature

| Planned Survey | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 7,900.00 | 90.90 | 269.86 | 2,607.92 | -892.21 | -4,651.73 | 4,653.90 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 90.90 | 269.86 | 2,606.35 | -892.46 | -4,751.72 | 4,753.88 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 90.90 | 269.86 | 2,604.78 | -892.70 | -4,851.71 | 4,853.87 | 0.00 | 0.00 | 0.00 |
| 8,200.00 | 90.90 | 269.86 | 2,603.21 | -892.95 | -4,951.69 | 4,953.86 | 0.00 | 0.00 | 0.00 |
| 8,213.39 | 90.90 | 269.86 | 2,603.00 | -892.98 | -4,965.08 | 4,967.25 | 0.00 | 0.00 | 0.00 |
| NETHERL | IN 101H LTP/B | HL | | | | | | | |

| Design Targets | | | | | | | | | |
|---|----------------------|-----------------|-------------------------|-------------------------|-------------------------|---------------------------------|----------------|------------|--------------|
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| NETHERLIN 101H SF - plan hits target ce - Point | 0.00 enter | 360.00 | 0.00 | 0.00 | 0.00 | 634,528.94 | 527,243.84 | 32.7443490 | -104.3791727 |
| NETHERLIN 101H K(- plan hits target ce - Point | 0.00 enter | 360.00 | 1,816.73 | -553.27 | 472.99 | 633,975.67 | 527,716.83 | 32.7428288 | -104.3776335 |
| NETHERLIN 101H M/ - plan hits target ce - Point | 0.00 enter | 360.00 | 2,051.93 | -706.73 | 540.89 | 633,822.21 | 527,784.73 | 32.7424070 | -104.3774125 |
| NETHERLIN 101H LT - plan hits target ce - Point | 0.00 enter | 360.00 | 2,603.00 | -892.98 | -4,965.08 | 633,635.96 | 522,278.76 | 32.7418875 | -104.3953198 |
| NETHERLIN 101H LF - plan hits target ce - Point | 0.00 enter | 360.00 | 2,678.71 | -881.20 | -145.69 | 633,647.74 | 527,098.15 | 32.7419267 | -104.3796453 |
| NETHERLIN 101H FT - plan misses targe - Point | 0.00 et center by | | 2,683.00 at 3142.19u | -880.88 sft MD (2617 | 131.37 7.91 TVD, -88 | 633,648.06 80.62 N, 95.06 E) | 527,375.21 | 32.7419279 | -104.3787442 |