Form C-101 August 1, 2011

Permit 362089

<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**

1. Operator Na	me and Address							2. OGRID Number	
Tas	cosa Energy Partr	329748							
901	W. Missouri Ave	3. API Number							
Mid	land, TX 79701							30-015-5489	99
4. Property Code 5. Property Name									
335	413		002						
				7. Su	face Location				
JL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
		241	0.00	^	4040	_		0 14/	
L	19	21	S 26E	3	1810	S	41	8 W	Eddy
L	19	213	5   20E		Bottom Hole Location		41	8   VV	Eddy
JL - Lot	Section	Township	Range				Feet From	8 W	County
L JL - Lot L			Range	8. Proposed	Bottom Hole Location	on		E/W Line	
JL - Lot	Section	Township	Range	8. Proposed I	Bottom Hole Location	N/S Line	Feet From	E/W Line	County

	Additional Well Information								
11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation					
New Well	OIL		State	3393					
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date					
N	4610	Brushy Canyon		4/15/2024					
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	100	140	0						
Int1	12.25	9.625	36	900	512	0						
Int2	8.75	7	23	2225	462	0						
Prod	6.25	4.5	11.6	4610	438	0						

#### **Casing/Cement Program: Additional Comments**

22. Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer						
Pipe	5000	5000	CTI						
Blind	5000	5000	CTI						
Annular	5000	5000	CTI						

knowledge and be	elief.	true and complete to the best of my		OIL CONSERVATIO	ON DIVISION	
Printed Name:	Electronically filed by Kelly M Han	dy	Approved By:	Ward Rikala		
Title:	Land Manager		Title:			
Email Address:	khardy@tascosaep.com		Approved Date:	4/2/2024	Expiration Date: 4/2/2026	
Date:	3/27/2024	Phone: 432-695-6970	Conditions of Approval Attached			

1625 N. French Dr., Hobbs, NM 88240

Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 District III Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

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

UL or lot no

#### 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

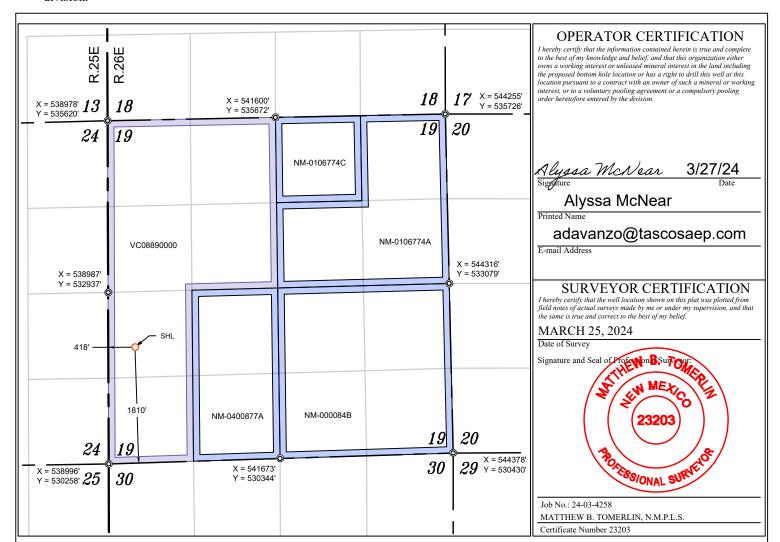
API Number		Pool Code	Pool Name				
30-015-54899		98386	WC-015 G-01 S212630L; Delaware				
Property Code		Propert	Well Number				
335413		KONG	#2				
OGRID No.		Operat	or Name	Elevation			
329748		TASCOSA ENERG	Y PARTNERS, LLC	3393'			
Surface Location							

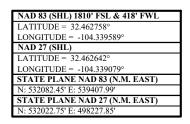
LOT 3 21 S 26 E 1810 SOUTH 418 WEST **EDDY** 19 Bottom Hole Location If Different From Surface East/West line County Township Dedicated Acres Joint or Infill Consolidation Code Order No.

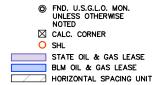
Feet from the

Range

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



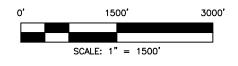




#### **NOTES**

L ALL COORDINATES, BEARINGS, AND DISTANCES
CONTAINED HEREIN ARE GRID, BASED UPON THE NEW
MEXICO STATE PLANE COORDINATES SYSTEM, NORTH
AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.

- 2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING MARCH, 2024.
  CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE
  LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE
- 3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



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

Form APD Conditions

Permit 362089

#### PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
Tascosa Energy Partners, L.L.C [329748]	30-015-54899
901 W. Missouri Ave	Well:
Midland, TX 79701	Kong Unit #002

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

Operator: Tascosa Energy Partners, LLC

String type: Surface Casing (100)

Location: 1,810' FSL & 418' FWL, Sec 19, T-21-S, R-26-E, Eddy County, NM

BHL Planned: Same as Surface

Design parameters:			Minimum design factors:			Environment:			
<u>Collapse</u>			<u>Collapse:</u>			H2S considered?		lo	
Mud weight:		8.70	ppg	DF	1.125	Surface temperature:	75.0	00 °F	
Design is based on evacuated p	ipe.					BHTemp	7	'8 °F	
					Temp gradient:	8.0	0.80 °F/100ft		
						Minimum sec length:	10	00 ft	
				Burst:		Minimum Drift:	12.2	25 in	
				DF	1.125	Cement top:	Surfac	e	
<u>Burst</u>									
Max anticipated surface									
pressure	=	50.40	psi						
Internal gradient:	=	0.12	psi/ft	Tension:		Non-directional string.			
Calculated BHP	=	62.40	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:	900.00	ft	
			Tension is I	pased on bud	yed wgt.	Next mud weight:	8.70	ppg	
			Neutral pt:	87.30	ft	Next setting BHP:	407.00	psi	
Maximum Lift using 14.8 ppg cmt	to surfa	ce with 8.5	ppg mud fille	d csg=		Fracture mud wt:	11.00	ppg	
4,603 lbs lift. String wgt = 4,800 lb	s. Chai	n down ca	sing prior to o	mt job		Safety Factor Injection	1.00	ppg	
for Safety.						Fracture depth:	ft		
						Injection pressure	62.40	psi	

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)	ID Diameter (in)
1	100	13.375	48	H-40	LTC	100	100	12.559	440.9	12.715
Run Seq	Collapse Load	Collapse Strength	Collapse Design	Burst Load	Burst Strength	Burst Design	Tension Load	Tension Strength	Tension Design	
ooq	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	Factor	
1	52	770	14.81	250	1730	6.92	9.6 4.8	322 541 Body	33.54	
	Prepared				Phone: (432	9) 695 6970	Date:	03/27/24		
	by:	Richard Wrig	ght		FAX: (432) 695 6973			Midland, Texas		

#### Remarks:

Collapse is based on a vertical depth of 100 ft, a mud weight of 10.0 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.

Tension figure on string wgt in air + 4.8K overpull

Burst strength is not adjusted for tension.

Operator: Tascosa Energy Partners, LLC

String type: Surface Casing (900)

Location: 1,810' FSL & 418' FWL, Sec 19, T-21-S, R-26-E, Eddy County, NM

BHL Planned: Same as Surface

Design parameters:			Minimum design factors:			Environment:			
<u>Collapse</u>			<u>Collapse:</u>			H2S considered? No			lo
Mud weight:		8.70	ppg	DF	1.125	Surface t	emperature:	75.0	00 °F
Design is based on evacuated pipe	е.					BHTemp		7	'8 °F
						Temp gradient:		0.80 °F/100	
						Minimum	sec length:	90	00 ft
				Burst:		Minimum	Drift:	8.7	'5 in
				DF	1.125	Cement t	top:	Surfac	e
<u>Burst</u>									
Max anticipated surface									
pressure	=	454.00	psi						
Internal gradient:	=	0.12	psi/ft	Tension:		Non-dire	ctional string.		
Calculated BHP	=	562.00	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 subseq	uent strings	:
						Next sett	ing depth:	2,225.00	ft
			Tension is I	based on buoye	ed wgt.	Next mud	d weight:	8.70	ppg
			Neutral pt:	785.00 f	t	Next sett	ing BHP:	1,007.00	psi
Maximum Lift using 14.8 ppg cmt to	surfa	ace with 8.5	ppg mud fille	ed csg=		Fracture	mud wt:	11.00	ppg
21,452 lbs lift. String wgt = 32,400 lk	s. C	hain down	casing prior to	o cmt job		Safety Fa	actor Injection	1.00	ppg
for Safety.						Fracture depth: 900.00			ft
						Injection	pressure	562.00	psi

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)	ID Diameter (in)
1	900	9.625	36	J-55	LTC	900	900	8.765	440.9	8.921
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	468	2020	4.32	454	3520	7.75	64.8 32.4	564 639 jt	8.70	
Prepared					Phone: (432) 695 6970			03/27/24		
	by:	Richard Wri	ght		FAX: (432) 6	695 6973		Midland, Texas		

#### Remarks:

Collapse is based on a vertical depth of 900 ft, a mud weight of 10.0 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.

Tension figure on string wgt in air + 32.4K overpull

Burst strength is not adjusted for tension.

Operator: Tascosa Energy Partners, LLC
String type: Intermediate Casing (2) @ 2,225

Location: 1,810' FSL & 418' FWL, Sec 19, T-21-S, R-26-E, Eddy County, NM

BHL Planned: Same as Surface

**Design parameters:** Minimum design factors: **Environment:** Collapse: H2S considered? No <u>Collapse</u> Mud weight: 8.70 1.125 Surface temperature: 75.00 °F ppg DF Design is based on evacuated pipe. **BHTemp** 78 °F Temp gradient: 0.80 °F/100ft Minimum sec length: 2200 ft Burst: Minimum Drift: 6.25 in 1.125 DF Cement top: Surface <u>Burst</u> Max anticipated surface pressure 1,121.00 psi Internal gradient: 0.12 psi/ft **Tension:** Non-directional string. Calculated BHP 1,388.00 8 Rd STC: 1.80 (J) 1.80 8 Rd LTC: (J) No backup mud specified. 1.60 Buttress: (J) Premium: 1.50 (J) Body yield: 1.50 (B) Re subsequent strings: Next setting depth: 4,610.00 ft Tension is based on buoyed wgt. Next mud weight: 8.70 ppg Neutral pt: 1,934.00 ft Next setting BHP: 2,086.00 psi Maximum Lift using 14.8 ppg cmt to surface with 8.5 ppg mud filled csg= Fracture mud wt: 11.00 ppg 9,534 lbs lift. String wgt = 14,400 lbs. Chain down casing prior to cmt job Safety Factor Injection 1.00 ppg for Safety. Fracture depth: 2,225.00 Injection pressure 1,388.00 psi

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)	ID Diameter (in)
1	2225	7	23	J-55	LTC	2225	2225	6.241	440.9	6.366
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension	
Seq	Load (psi)	Strength (psi)	Design Factor	Load (psi)	Strength (psi)	Design Factor	Load (Kips)	Strength (Kips)	Design Factor	
1	1157	3270	2.83	1121	4360	3.89	102	366	3.59	
							51.175	522 jt		
	Prepared				Phone: (432	9) 695 6970	Date:	03/27/24		
	by:	Richard Wrig	ght		FAX: (432) 6	695 6973		Midland, Tex	as	

#### Remarks:

Collapse is based on a vertical depth of 2225 ft, a mud weight of 10.0 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.

Tension figure on string wgt in air + 51K overpull

Burst strength is not adjusted for tension.

Operator: Tascosa Energy Partners, LLC

String type: **Production Casing (4,610)** 

Location: 1,810' FSL & 418' FWL, Sec 19, T-21-S, R-26-E, Eddy County, NM

BHL Planned: Same as Surface

Design parameters:		Minimum	n design facto	rs:	Environment:		
Collapse		Collapse:			H2S considered?	No	
Mud weight:	8.70	ppg	DF	1.200	Surface temperature:	75.00	°F
Design is based on evacuated pipe.					ВНТ	103	°F
					Temp Gradient	0.80	°F/100ft
					Min Section Length	4000	ft
			Burst:		Minimum Drift:	4600	in
			DF	1.1	Cement top:	0	ft
<u>Burst</u>							
Max anticipated surface							
pressure:	7,000.00	psi Frac					
Internal gradient:	0.00	psi/ft	Tension:		Non-directional string.		
Calculated BHP	1,990.00	psi	8 Rd STC:	1.80	(J)		
			8 Rd LTC:	1.80	(J)		
No backup mud specified.	0.43		Buttress:	1.60	(J)		
			Premium:	1.50	(J)		
			Body yield:	1.60	(B)		

Tension is based on buoyed weight.

Neutral pt: 3,401.00 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Csg ID (in)	Csg Cap
1	4610	4.5	11.6	L-80	LT&C	4610	4610	3.875	4	71.5
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	2517	6350	2.00	7000	7780	1.11	107 53.5	212 267 Body	1.98	

R.Wright Midland, Texas

Date:

3/27/2024

Remarks:

Collapse is based on a vertical depth of 4610 ft, a mud weight of 10.5 ppg cmt. 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 Load Calculated using 7000 psi maximum frac surface pressure

Burst strength is not adjusted for tension.

Tension based on pipe weight in air 53k.5 K  $\,$  over pull  $\,$ 

Engineering responsibility for use of this design will be that of the purchaser.

Intent	:	As Drill	led											
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		From I	N/S	Feet		From	n E/W	County	
Latitu	de				Longitu	abu							NAD	
Last T	ake Poin	t (LTP)												
UL	Section	Township	Range	Lot	Feet	Fron	m N/S	Feet		From E	/W	Count	:y	
Latitu	de	<u> </u>	<u> </u>		Longitu	Longitude NAD								
		e defining winfill well?		he Hori	izontal Sp	pacin	g Unit?	?						
	ng Unit.	lease provi	ide API if	i availa	ble, Opei	rator	Name	and w	/ell ni	umber	for [	Definir	ng well fo	r Horizontal
Oper	rator Nar	me:				Prop	perty l	Name:						Well Number
Estima	ated Forr	mation Top	)S											<u> </u>
Forma	ation:				Тор:		Fo	rmation	า:					Тор:
							1							
					+									
							+							

SEC 30, T21S, R26E, Eddy County, New Mexico

Kong Unit 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 ± 4,650 ft.

SEC 30, T21S, R26E, Eddy County, New Mexico

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

	OFFICE	MOBILE	<u>HOME</u>
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	
EMEDOENCY DESDONSE	MI IMPEDO.		
EMERGENCY RESPONSE	NUIVIDERS.		
State Police:	Eddy County		575 748 9718
State Police:	Lea County		575 392 5588
	•		
Sheriff	Eddy County		575 746 2701
Sheriff	Lea County		
Emergency Medical Ser	Eddy County		911 or 575 746 2701
(Ambulance)	Lea County	Eunice	911 or 575 394 3258
(7 till didinoo)	Lou Gounty	Lamoo	011 01 010 004 0200
<b>Emergency Response</b>	<b>Eddy County SERC</b>		575 476 9620
Autopio Polico Dont			575 746 5001
Artesia Police Dept Artesia Fire Dept			575 746 5001 575 746 5001
Artesia i ile Dept			373 740 300 1
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
Funice Delies Book			F7F 204 0440
Eunice Police Dept			575 394 0112 575 394 3258
Eunice Fire Dept			J/J J#4 JZJ0

### Tascosa Energy Partners, LLC Chieftain 18 State Com **Hydrogen Sulfide Contingency Plan For Drilling/Workover/Facility**SEC 30, T21S, R26E, Eddy County, New Mexico

Eunice Ambulance		575 394 3258
<b>Hobbs Police Dept</b>		
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

**HYDROGEN SULFIDE TRAINING** 

### Tascosa Energy Partners, LLC Chieftain 18 State Com **Hydrogen Sulfide Contingency Plan For Drilling/Workover/Facility**SEC 30, T21S, R26E, Eddy County, New Mexico

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 30, 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. H2S Safety Equipment and Systems

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 
$$X = [(.4546) (.0005) (100,000 \text{ cfd})]$$
 to the power of (.6258)  $X = 3.3 \text{ ft}$ .

(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.

V	ari	ous	Gas	es

COMMON NAME	CHEMICAL ABBREV.	SPECIFIC GRVTY.	THRESHOLD LIMITS	HAZARDOUS LIMITS	LETHAL CONCENTRATIONS
	T		Ī	T	1
Hydrogen Sulfide	H2S	1.19	10ppm 15 ppm	100 ppm/hr	600 ppm
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Sulfur Dioxide	SO2	2.21	2 ppm	N/A	1000 ppm
Chlorine	CL2	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	СО	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.



#### Kong Unit - Natural Gas Management Plan

#### VI. Separation Equipment:

Tascosa has sized a separator and a heater treater to allow for complete separation at our anticipated rates, with adequate retention times. Tank vapors will also be captured through a vapor recovery unit and sent to the DCP sale line.

#### **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 (DCP).
- 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.

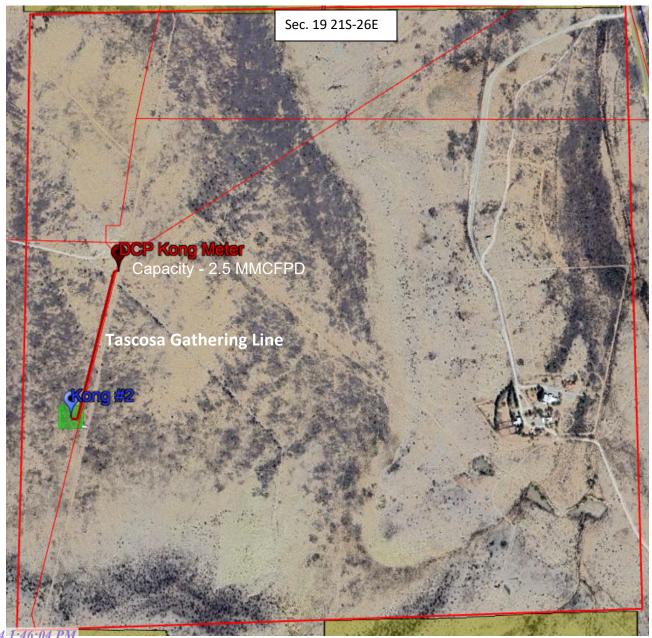


#### **VIII. Best Management Practices:**

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 minimize venting during downhole operations.

#### XI. Map:





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#### XIII. Line Pressure:

Tascosa does not have any existing wells connected to the DCP pipeline shown in the map above. The DCP line should operate well below 500 psi. Tascosa is purchasing a compressor to enter the sales 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	ners, LLC.	_OGRID: _	329784	03/14/24 Date:		
II. Type: ☑ Original □						Other.
If Other, please describe	:					
III. Well(s): Provide the be recompleted from a si					wells 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
Kong Unit #2		Lot 3 19-21S-26E	418' FWL	100	250	300
V. Anticipated Schedu or proposed to be recom Well Name	le: Provide the	single well pad or cor			well or set of welnt.	Flow First Production
Kong Unit #2		4/15/2024	4/30/2024	5/15/2024	5/20/2	2024 5/31/2024
VII. Operational Pract Subsection A through F	ices:  Attacof 19.15.27.8	h a complete descrip NMAC.	tion of the a	ctions Operator wil	ll take to comply	at to optimize gas capture.  with the requirements of tices to minimize venting

#### Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

	EFFECTIV	E 111 KIE 1, 2022	
		with its statewide natural gas	s capture requirement for the applicable
t for the applicable re	eporting area.	tion because Operator is in co	ompliance with its statewide natural gas
Vell	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF
		250	90,000
System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in
System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in
Artesia	19-21S-26E	4/30/2024	2.5 MMCFPD
ons to the existing or prion of the natural gas  y. The natural gas ga from the well prior to	blanned interconnect of to gathering system(s) to with the date of first product	he natural gas gathering system which the well(s) will be connected will not have capacity to gation.	m(s), and the maximum daily capacity of ected.  ther 100% of the anticipated natural gas d to the same segment, or portion, of the
	sthat it is not required to the applicable restatural Gas Production of the restatural Gas Production of the existing or prior of the natural gas gas from the well prior to the comparator \( \text{\$\text{\$\text{\$\text{\$\text{\$\text{\$Y\text{\$	2022, an operator that is not in compliance complete this section.  es that it is not required to complete this sect for the applicable reporting area.  Atural Gas Production:  API  API  API  Attering System (NGGS):  System  ULSTR of Tie-in  Artesia  19-21S-26E  In an accurate and legible map depicting the least to the existing or planned interconnect of the ion of the natural gas gathering system (S) to we will be from the well prior to the date of first production.  The natural gas gathering system In Incomplete the ion the well prior to the date of first production.  The operator Incomplete this section.  API  API  API  API  API  Artesia  19-21S-26E	es that it is not required to complete this section because Operator is in cot for the applicable reporting area.  Atural Gas Production:    API

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

🛚 Attach Operator's plan to manage production in response to the increased line pressure.

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: 3/27/24
Phone: 720-244-4417
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval: