Form 3160-3 (June 2015)		FORM APPR OMB No. 100 Expires: January	4-0137
UNITED STATES		Expires. January	51, 2018
DEPARTMENT OF THE INTE BUREAU OF LAND MANAGE	5. Lease Serial No.		
APPLICATION FOR PERMIT TO DRIL		6. If Indian, Allotee or Tri	be Name
		7. If Unit or CA Agreeme	nt Name and No
1a. Type of work: DRILL REENT	TER	7. If ollit of errigiteline	in, ivanic and ivo.
1b. Type of Well: Oil Well Gas Well Other			
1c. Type of Completion: Hydraulic Fracturing Single 2	Zone Multiple Zone	8. Lease Name and Well 1	NO.
2. Name of Operator		9. API Well No. 30-02	5-53466
3a. Address 3b.	Phone No. (include area code)	10. Field and Pool, or Exp	loratory
4. Location of Well (Report location clearly and in accordance with a	ny State requirements.*)	11. Sec., T. R. M. or Blk.	and Survey or Area
At surface			
At proposed prod. zone			
14. Distance in miles and direction from nearest town or post office*		12. County or Parish	13. State
15. Distance from proposed* 16. location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) (4.0000)	No of acres in lease 17. Spaci	ng Unit dedicated to this we	 211
	Proposed Depth 20. BLM	/BIA Bond No. in file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22.	Approximate date work will start*	23. Estimated duration	
24	. Attachments	1	
The following, completed in accordance with the requirements of Ons (as applicable)	nore Oil and Gas Order No. 1, and the H	Hydraulic Fracturing rule pe	r 43 CFR 3162.3-3
1. Well plat certified by a registered surveyor.	4. Bond to cover the operation	is unless covered by an exist	ing bond on file (see
 A Drilling Plan. A Surface Use Plan (if the leastion is on National Forest Surface Use 	Item 20 above).		
3. A Surface Use Plan (if the location is on National Forest System Lan SUPO must be filed with the appropriate Forest Service Office).	hds, the5. Operator certification.6. Such other site specific infor BLM.	mation and/or plans as may l	be requested by the
25. Signature	Name (Printed/Typed)	Date	
Title			
Approved by (Signature)	Name (Printed/Typed)	Date	
Title	Office		
Application approval does not warrant or certify that the applicant hole applicant to conduct operations thereon. Conditions of approval, if any, are attached.	ds legal or equitable title to those rights	in the subject lease which v	vould entitle the
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make i of the United States any false, fictitious or fraudulent statements or rep			partment or agency



*(Instructions on page 2)

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(Continued on page 2)

Millie Mile 13-24 Fed Com #201H

APD - Geology COAs (Not in Potash or WIPP)

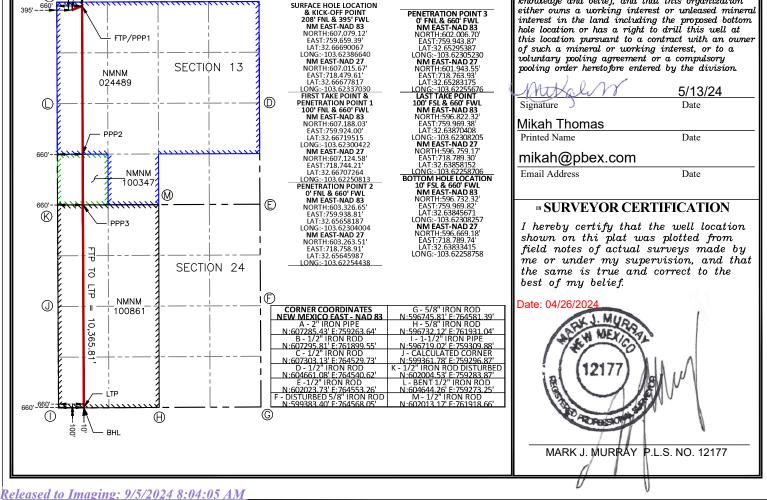
- For at least one well per pad (deepest well within initial development preferred) the record of the drilling rate (ROP) along with the Gamma Ray (GR) and Neutron (CNL) well logs run from TVD to surface in the vertical section of the hole shall be submitted to the BLM office as well as all other logs run on the full borehole 30 days from completion. Any other logs run on the wellbore, excluding cement remediation, should also be sent. Only digital copies of the logs in .TIF or .LAS formats are necessary; paper logs are no longer required. Logs shall be emailed to blm-cfo-geology@doimspp.onmicrosoft.com. Well completion report should have .pdf copies of any CBLs or Temp Logs run on the wellbore.
- Exceptions: In areas where there is extensive log coverage (in particular the salt zone adjacent to a pad), Operators are encouraged to contact BLM Geologists to discuss if additional GR and N logs are necessary on a pad. Operator may request a waiver of the GR and N log requirement due to good well control or other reasons to be approved by BLM Geologist prior to well completion. A waiver approved by BLM must be attached to completion well report to satisfy COAs.
- The top of the Rustler, top and bottom of the Salt, and the top of the Capitan Reef (if present) are to be recorded on the Completion Report.

Please be aware:

 H2S has been reported from multiple formations within one mile of the proposed project. Measurements up to 600ppm were recorded from the Seven Rivers, Bone Spring, and Morrow.

Questions? Contact Chris Armistead, BLM Geologist at 575-234-5715 or carmistead@blm.gov

eived by OC	D: 8/19/2	2024 12:41	:53 PM						Page 3
District I			St	State of New Mexico				Form C-102	
625 N. French Dr., Hobbs, NM 88240 <u>District II</u>		Energy,	Minera	ls & Natural	Resources De	partment		Revised August 1, 201	
11 S. First St., Artesia, NM 88210 District III 000 Rio Brazon Road, Artec, NM 87410 District IV (220 S. St Francis Dr., NM 87505 Phone: (505) 476-3460 Fax (505) 476-3462				122	NSERVATI 0 South St. F anta Fe, NM		Ň	Sub	mit one copy to appropriat District Offic AMENDED REPOR
	X	WE	LL LOC			EAGE DEDIC			
	API Numbe 5-53460			² Pool Cod 27230	-	GI	³ Pool Na EM; BONE SP		r
⁴ Property (Code				⁵ Property 1 ILLIE MILE 13		⁶ Well Number #201H		
<u>336234</u> ⁷ OGRID No. 332544 X92X73				⁸ Operator	ons, LLC	LLC ^{° Elevation} 3,707'			
					"Surface	e Location			
L or lot no. D	Section 13	Township 19 S	Range 33 E	Lot Idn	Feet from the 208'	North/South line NORTH	Feet from the 395'	East/West lin WEST	ne County LEA
			"Во	ttom H	Hole Loca	tion If Diffe	erent Fror	n Surfa	се
L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County
Μ	24	19 S	33 E		10'	SOUTH	660'	WEST	LEA
Dedicated Acres	s ¹³ Joint o	r Infill ¹⁴ (Consolidation	Code ¹⁵ O	rder No.				
o allowable y e division.	will be as	signed to t	nis comple	tion until :	all interests hav	e been consolidate	ed or a non-stan	dard unit ha	s been approved by
SHL/KOP LEV. 3,707' (A) 100'		B		1 8	FACE HOLE LOCATION & KICK-OFF POINT OP' Feni & Jack - Jack	PENETRATION POINT 3	I hereby cer herein is tr knowledge a either owns	tify that the ir ue and complete nd belief, and a working inte	RTIFICATION vformation contained e to the best of my that this organization rest or unleased miner ing the granned betw



Intent	Х

As	Drilled	
 >	Diffied	

API #			
Operator Name:		Property Name:	Well Number
EGL RESOURCES	NC.	MILLIE MILE 13-24 FED COM	#201H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	13	19 S	33 E		208	NORTH	395	WEST	LEA
	Latitude 32.66690067			Longitude -103.623	86640			NAD 83	

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	13	19 S	33 E		100	NORTH	660	WEST	LEA
	Latitude 32.66719515			Longitude -103.623	800422			NAD 83	

Last Take Point (LTP)

UL M	Section 24	Township 19 S	Range 33 E	Lot	Feet 100	From N/S SOUTH	Feet 660	From E/W WEST	County LEA
Latitude					Longitud	le		NAD	
32.63870408				-103.0	-103.62308205			83	

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number
	· · · · · · · · · · · · · · · · · · ·	

KZ 06/29/2018

Intent	Х
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As Drilled	

API #			
Operator Name:		Property Name:	Well Number
EGL RESOURCES II	NC.	MILLIE MILE 13-24 FED COM	#201H

Kick Off Point (KOP)

UL D	Section 13	Township 19 S	Range 33 E	Lot	Feet 208			County LEA	
Latitu 32.6	^{de} 666778	17			Longitude -103.623	37030			NAD 27

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	13	19 S	33 E		100	NORTH	660	WEST	LEA
Latitu 32.6	^{de} 67072	64			Longitude -103.622	250813			NAD 27

Last Take Point (LTP)

UL M	Section 24	Township 19 S	Range 33 E	Lot	Feet 100	From N/S SOUTH	Feet 660	From E/W WEST	County LEA
Latitude				Longitud	le		NAD		
				-103.	6225870	6	27		

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	 Property Name:	Well Number
I		

KZ 06/29/2018

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

	EGL Resources Incorporated
	NMNM24489 Section 13, T.19 S., R.33 E., NMPM
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	Millie Mile 13-24 Fed Com 201H
BOTTOM HOLE FOOTAGE	10'/S & 660'/W
ATS/API ID:	ATS-23-2299
APD ID:	10400093825
Sundry ID:	N/a
Date APD Submitted:	N/a

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COA

110C		[
H2S	Yes		
Potash	None 🔽	None	
Cave/Karst Potential	Low		
Cave/Karst Potential	Critical		
Variance	C None	🖸 Flex Hose	C Other
Wellhead	Conventional and Multibov	vl 🔽	
Other	□4 String	Capitan Reef None	□WIPP
Other	Pilot Hole None	C Open Annulus	
Cementing	Contingency Squeeze	Echo-Meter None	Primary Cement Squeeze None
Special Requirements	□ Water Disposal/Injection	COM	Unit Unit
Special Requirements	Batch Sundry	Waste Prevention None	
Special Requirements Variance	□ Break Testing	□ Offline Cementing	Casing Clearance

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Seven Rivers, Bone Springs, and Morrow** formation. As a result, the Hydrogen Sulfide area must meet **43 CFR part 3170 Subpart 3176** requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

- The 13-3/8 inch surface casing shall be set at approximately 1835 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt when present, and below usable fresh water) and cemented to the surface. The surface hole shall be 17 1/2 inch in diameter.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>8</u> <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

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

2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **8-5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

• The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record),

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or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in **43 CFR part 3170 Subpart 3171**
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

GENERAL REQUIREMENTS

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

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Lea County Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per **43** CFR part **3170** Subpart **3172** as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

A. CASING

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

Approval Date: 08/09/2024

- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends of both lead and tail cement, 2) until cement has been in place at least <u>8 hours</u>. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.
- B. PRESSURE CONTROL
- All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in 43 CFR part 3170 Subpart 3172 and API STD 53 Sec. 5.3.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke

Page 7 of 10

manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be

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initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to 43 CFR part 3170
 Subpart 3172 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for 8 hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per 43 CFR part 3170 Subpart 3172.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and

disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

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

Long Vo (LVO) 7/19/2024

Approval Date: 08/09/2024



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

Operator

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

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08/15/2024

Operator Certification Data Report

NAME: MIKAH THOMAS		Signed on: 01/17/2024
Title: Owner		
Street Address: 6102 E COUNT	Y ROAD 59	
City: MIDLAND	State: TX	Zip: 79705
Phone: (432)661-7106		
Email address: MIKAH.THOMA	S@PERMIANCOMPLIANCE.COM	
Field		
Representative Name: Justin Ca	arter	
Street Address: 223 W Wall St	Suite 900	
City: Midland	State: TX	Zip: 79701
Phone:		

Email address: justin@pbex.com

AFMSS

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

APD ID: 10400093825

Operator Name: EGL RESOURCES INCORPORATED Well Name: MILLIE MILE 13-24 FED COM

Submission Date: 08/29/2023

Well Number: 201H Well Work Type: Drill Highlighted data reflects the most recent changes Show Final Text

Application Data

Section 1 - General

APD ID: 10400093825	Tie to previous NOS?	N Submission Date: 08/29/2023
BLM Office: Carlsbad	User: MIKAH THOMAS	Title: Owner
Federal/Indian APD: FED	Is the first lease penetra	ted for production Federal or Indian? FED
Lease number: NMNM24489	Lease Acres:	
Surface access agreement in place?	Allotted?	Reservation:
Agreement in place? NO	Federal or Indian agreer	nent:
Agreement number:		
Agreement name:		
Keep application confidential? Y		
Permitting Agent? NO	APD Operator: EGL RES	OURCES INCORPORATED
Operator letter of		

Operator Info

Operator Organization Name: EGL RESOURCES INCORPORATED Operator Address: P O BOX 10886 Operator PO Box: P O BOX 10886 **Operator City: MIDLAND** State: TX Operator Phone: (432)687-6560 **Operator Internet Address:**

Section 2 - Well Information

Well in Master Development Plan? NO	Master Development Plan name:							
Well in Master SUPO? NO	Master SUPO name:							
Well in Master Drilling Plan? NO	Master Drilling Plan name:							
Well Name: MILLIE MILE 13-24 FED COM	Well Number: 201H	Well API Number:						
Field/Pool or Exploratory? Field and Pool	Field Name: GEM	Pool Name: BONE SPRING						

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08/15/2024

Well Type: OIL WELL

Zip: 79702

EAST

Operator Name: EGL RESOURCES INCORPORATED **Well Name:** MILLIE MILE 13-24 FED COM

Well Number: 201H

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Is the proposed well in a Helium production area?	N Use Existing Well Pad? N	New surface disturbance?			
Type of Well Pad: MULTIPLE WELL	Multiple Well Pad Name: Millie Mile 13-24 Fed Com	Number: 1			
Well Class: HORIZONTAL	Number of Legs: 1				
Well Work Type: Drill					
Well Type: OIL WELL					
Describe Well Type:					
Well sub-Type: INFILL					
Describe sub-type:					
Distance to town: 28 Miles Distance to	nearest well: 220 FT Distant	ce to lease line: 199 FT			
Reservoir well spacing assigned acres Measureme	ent: 320 Acres				
Well plat: 23_101303_Millie_Mile_13_24_Fed_Co	m_201H_C102_Supplemental_Page	s_20240513103845.pdf			
23_101303_Millie_Mile_13_24_Fed_Co	m_201H_C102_Rev_2_2024051310	4603.pdf			
Well work start Date: 08/10/2024	Duration: 90 DAYS				
Section 3 - Well Location Table					
Survey Type: RECTANGULAR					

Describe Survey Type:

Datum: NAD83

Survey number: 12177

Vertical Datum: NAVD88

Reference Datum: KELLY BUSHING

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
SHL Leg #1	208	FNL	395	FW L	19S	33E	13	Aliquot NWN W	32.66690 06	- 103.6238 664	LEA	1	NEW MEXI CO	F	NMNM 24489	370 7	0	0	Y
KOP Leg #1	208	FNL	395	FW L	19S	33E	13	Aliquot NWN W	32.66876 98	- 103.6229 999	LEA	NEW MEXI CO		F	NMNM 24489	- 597 0	974 9	967 7	Y

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
PPP	100	FNL	660	FW	19S	33E	13	Aliquot	02.007.10		LEA	NEW	NEW	F	NMNM	-	106	102	Y
Leg				L				NWN	51	103.6230 042		MEXI CO	MEXI CO		24489	654 3	49	50	
#1-1								W		042						3			
PPP	0	FNL	660	FW	19S	33E	13	Aliquot	32.65658		LEA	1	NEW	F	NMNM	-	145	102	Y
Leg				L				SWS	1	103.6230 4		MEXI CO	CO		100347	654 3	11	50	
#1-2								W		т						0			
PPP	0	FNL	660	FW	19S	33E	24	Aliquot	32.65295	-	LEA		NEW	F	NMNM	-	158	102	Y
Leg				L				NWN	38	103.6230 523		MEXI CO	MEXI CO		100861	654 3	31	50	
#1-3								W		525		00	00			5			
EXIT	100	FSL	660	FW	19S	33E	24	Aliquot	32.63870		LEA		NEW	F	NMNM	-	210	102	Y
Leg				L				SWS	4	103.6230 82		MEXI CO	MEXI CO		100861	654 3	00	50	
#1								W		02		00	00			3			
BHL	10	FSL	660	FW	19S	33E	24	Aliquot	32.63845		LEA		NEW	F	NMNM		211	102	Y
Leg				L				SWS	67	103.6230 825			MEXI CO		100861	654 3	05	50	
#1								W		020		co				3			



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

APD ID: 10400093825

Operator Name: EGL RESOURCES INCORPORATED

Well Name: MILLIE MILE 13-24 FED COM

Well Type: OIL WELL

Well Number: 201H Well Work Type: Drill

Submission Date: 08/29/2023

Highlighted data reflects the most recent changes

08/15/2024

Drilling Plan Data Report

Show Final Text

Section 1 - Geologic Formations

Sec	tion 1 - Geologic	Formatio	ons				
Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
13932763	QUATERNARY	3707	0	Ó	ALLUVIUM	NONE	N
13932757	RUSTLER	2142	1565	1565	ANHYDRITE, LIMESTONE, SANDSTONE	NONE	N
13932758	TOP SALT	1837	1870	1870	ANHYDRITE, SALT	NONE	N
13932749	BASE OF SALT	592	3115	3125	ANHYDRITE, SALT	NONE	N
13932747	YATES	422	3285	3285	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
13932759	SEVEN RIVERS	-3	3710	3730	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
13932756	QUEEN	-573	4280	4310	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
13932750	GRAYBURG	-863	4570	4610	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
13932751	SAN ANDRES	-1393	5100	5130	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
13932761	CHERRY CANYON	-1963	5670	5710	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
13932762	BRUSHY CANYON	-2653	6360	6400	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
13932753	BONE SPRING LIME	-4153	7860	7890	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
13932754	BONE SPRING 1ST	-5373	9080	9130	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
13932755	BONE SPRING 2ND	-5683	9390	9450	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	Y
13932752	BONE SPRING 2ND	-5893	9600	9660	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Operator Name: EGL RESOURCES INCORPORATED

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Pressure Rating (PSI): 5M

Rating Depth: 15000

Equipment: A 13.625" 5M Blowout Preventer system will be installed on a multi-bowl (speed head) wellhead with a 13.625" flanged casing spool. E.G.L. Resources, Inc. Millie Mile 13-24 Fed Com 201H SHL: 199 FNL & 1048 FWL' of Section 13-19S-33E BHL: 10 FSL & 660 FWL Section 24-19S-33E Lea County, New Mexico Formation Name Bearing Yates (Base of Salt) Seven Rivers Queen N/A N/A Hydrocarbons Quaternary Rustler Salado salt Water N/A N/A Hydrocarbons Hydrocarbons Hydrocarbons Cherry Canyon Brushy Canyon sandstone Hydrocarbons Hydrocarbons Hydrocarbons Wolfcamp A* Wolfcamp B Lower Wolfcamp B Flow Unit Not Encountered Not Encountered Not Encountered 3rd BS Sand Wolfcamp XY* Hydrocarbons Hydrocarbons Not Encountered Top flange of casing spool will be set in a cellar below ground level. BOP system will consist of a single pipe ram on the bottom, mud cross, double pipe ram with blind rams on bottom and pipe rams on top, and annular preventer. Blowout preventer will be installed on top of the 13.375 surface casing and will remain installed to TD of the well. Wellhead, blowout preventer, and choke manifold diagram are included.

Requesting Variance? YES

Variance request: Variance is requested to use a co-flex hose between the BOP system and choke manifold. A typical coflex pressure test certificate is attached. An equipment specific co-flex pressure test certificate will be on site when testing the BOP

Testing Procedure: All casing strings will be tested in accordance with Onshore Order 2 III.B.1.h. The BOP system will be isolated and tested by an independent tester to 250 psi low and 5,000 psi high for 10 minutes.per CFR 3172 requirements. The Surface Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and (.22 psi x Shoe TVD, which is equivalent to 1159.4 psi OR 1,500 psi, whichever is higher) for 30 minutes

Choke Diagram Attachment:

5M_Choke_EGL_20240207084912.pdf

BOP Diagram Attachment:

5M_BOP_EGL_20240207084916.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1835	0	1835	3707	1872	1835	J-55		OTHER - BTC	1.12 5	1.12 5	BUOY	1.6	BUOY	1.6
2	INTERMED IATE	9.87 5	8.625	NEW	API	N	0	5280	0	5250	3709	-1543	5280	P- 110	-	OTHER - Talon HTQ	_	1.12 5	BUOY	1.6	BUOY	1.6
3	PRODUCTI ON	7.87 5	5.5	NEW	API	N	0	21105	0	10120	3709	-6413	21105	P- 110				1.12 5	BUOY	1.6	BUOY	1.6

Casing Attachments

Operator Name: EGL RESOURCES INCORPORATED

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Casing	Attachments

Casing ID: 1 String SURFACE
Inspection Document:
Spec Document:
Tapered String Spec:
Casing Design Assumptions and Worksheet(s):
Casing_Design_Assmpt_3_string_casing_20240117134653.pdf
13.375_54.5000_0.3800_J55_data_sheet_20240513105356.pdf
Casing ID: 2 String INTERMEDIATE
Inspection Document:
Spec Document: Tapered String Spec:
Casing Design Assumptions and Worksheet(s):
Casing_Design_Assmpt_3_string_casing_20240117134906.pdf
8.625_P110HP_TALON_HTQ_Casing_Spec_20230407121740_20240207085152.pdf
Casing ID: 3 String PRODUCTION
Inspection Document:
Spec Document:
Tapered String Spec:
Casing Design Assumptions and Worksheet(s):
Casing_Design_Assmpt_3_string_casing_20240117135136.pdf
5.5in_P110_EC_Casing_Spec_20240207085231.pdf

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Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Section	4 - Ce	emen	t								
String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1200	751	2.22	12.5	1667. 3	100	Class C	Gel, Accelerator, LCM
SURFACE	Tail		1200	1835	479	1.84	13.2	882.3	100	Class C	Gel, Accelerator, LCM
INTERMEDIATE	Lead		0	4530	308	4.65	10.5	1432. 7	100	Class C or H	Fluid Loss, Retarder, LCM, Possibly beads
INTERMEDIATE	Tail		4530	5280	130	1.83	13.2	237.9	100	Class C or H	Fluid Loss, Retarder, LCM
PRODUCTION	Lead		4780	9100	211	4.3	10.5	909.4	20	Class H	Fluid Loss, Retarder, LCM
PRODUCTION	Tail		9100	2110 5	1538	1.68	13	2583. 8	20	Class H	Fluid Loss, Retarder, LCM

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

Describe what will be on location to control well or mitigate other conditions: An electronic PVT mud system will monitor flow rate, pump pressure, stroke rate, and volume. All necessary mud products (barite, bentonite, LCM) to control weight and fluid loss will be on site at all times. Mud program may change due to hole conditions. A closed loop system will be used.

Describe the mud monitoring system utilized: electronic PVT mud system

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (lbs/gal)	Density (Ibs/cu ft)	Gel Strength (lbs/100 sqft)	Hd	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1835	WATER-BASED MUD	8.3	8.3							

Well Number: 201H

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Hd	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
1835	5280	OTHER : Brine	10.2	10.2							
5280	2110 5	OIL-BASED MUD	9.7	9.7							

Section 6 - Test, Logging, Coring

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

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

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

GAMMA RAY LOG,

Coring operation description for the well:

No core or drill stem test is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 6578

Anticipated Surface Pressure: 4322

Anticipated Bottom Hole Temperature(F): 215

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

EGL_H2S_Plan_20240117140711.pdf

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

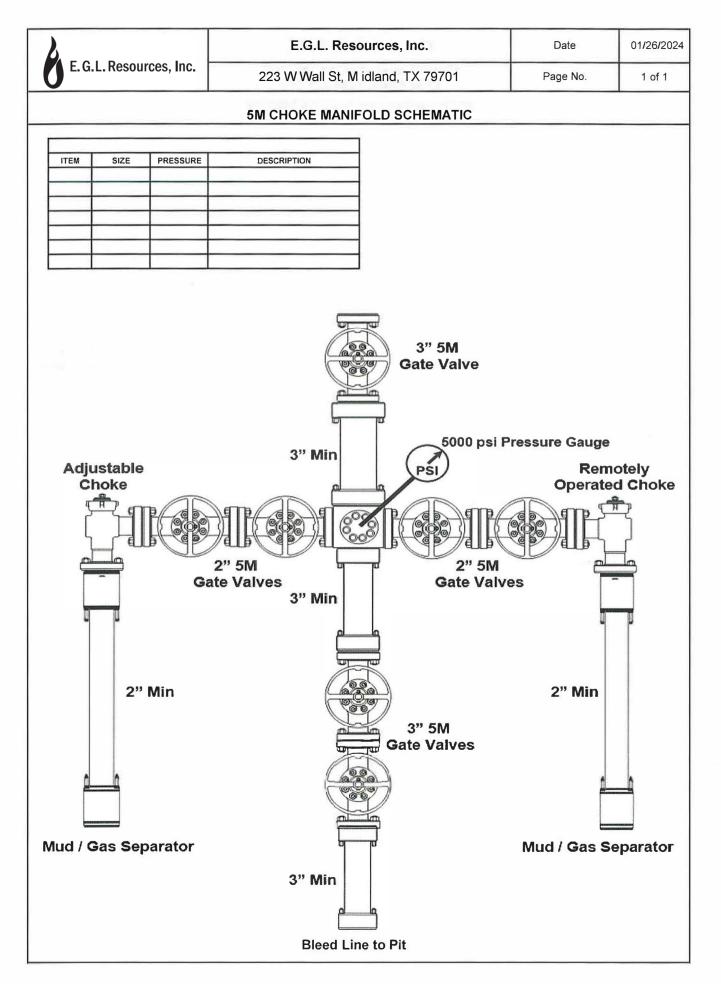
Millie_Mile_13_24_Fed_Com_201H__Plan_3_20240513105827.pdf Millie_Mile_13_24_Fed_Com_201H__Plan_3_AC_Report_20240513105830.pdf Millie_Mile_13_24_Fed_Com_201H__Plan_3_Plot_20240513105833.pdf

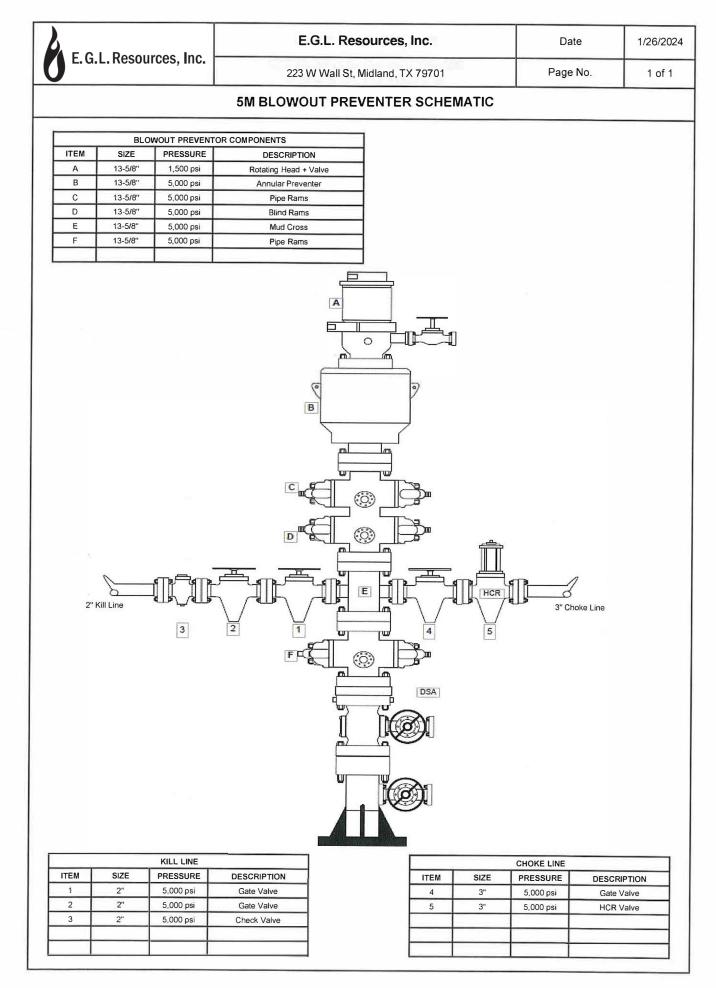
Other proposed operations facets description:

Other proposed operations facets attachment:

Wellhead_3T_Design_20240207090002.pdf Choke_Kill_Line_Certs_20240513105721.pdf Rig_597ST___I2__Rig_Layout_Pad__20240513105725.pdf Speedhead_Specs_3string_20230407122522_20240513105730.pdf Millie_Mile_201H_Drill_Plan_3S_Reef_INTR_8.625_17lb_5.5_042424_v6_20240513105757.pdf

Other Variance attachment:





3-string Casing Design Assumptions

Surface Casing

Collapse: DF_C = 1.125

- a. Full internal Evacuation: Collapse force is equal to mud gradient (0.433 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.718 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst: $DF_B = 1.125$
 - a. Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.
- Tensile: $DF_T = 1.60$
 - a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8727 in water (8.33 ppg).

Intermediate Casing

Collapse: DF_c = 1.125

- a. Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.626 psi/ft) in which the casing will be run and internal force equivalent to the displacement of fluid gradient.

Burst: $DF_B = 1.125$

- a. Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but to exceed 70% of the minimum internal yield.
- b. Gas Kick: Internal burst load of a 50 bbl gas kick at the casing with drill pipe in the hole. External force will be 10.2 ppg brine water gradient (0.531 psi/ft) and internal force will be with 10.0 ppg brine water gradient (0.521 psi/ft) with gas kick.
- Tensile: $DF_T = 1.60$
 - a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8441 in brine water (10.2 ppg).

Production Casing

Collapse: DF_c = 1.125

- a. Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.688 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).

Burst: $DF_B = 1.125$

a. Pressure Test: Pressure test will be to 80% of Internal Yield Pressure of casing intended for fracture stimulation.

Tensile: $DF_T = 1.60$

a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8472 in oil-based mud (10.0 ppg).

UsS

UNCONTROLLED

U. S. Steel Tubular Products 13.375" 54.50lb/ft (0.380" Wall) J55

MECHANICAL PROPERTIES	Pipe	BTC	LTC	STC		
Minimum Yield Strength	55,000				psi	-
Maximum Yield Strength	80,000				psi	-
Minimum Tensile Strength	75,000				psi	-
DIMENSIONS	Pipe	BTC	LTC	STC		
Outside Diameter	13.375	14.375	0.000	14.375	in.	-
Wall Thickness	0.380				in.	-
Inside Diameter	12.615	12.615		12.615	in.	-
Standard Drift	12.459	12.459	12.459	12.459	in.	-
Alternate Drift		12.500			in.	-
Nominal Linear Weight, T&C	54.50				lb/ft	-
Plain End Weight	52.79				lb/ft	-
PERFORMANCE	Pipe	втс	LTC	STC		
Minimum Collapse Pressure	1,130	1,130	1,130	1,130	psi	-
Minimum Internal Yield Pressure	2,740	2,740	2,740	2,740	psi	-
Minimum Pipe Body Yield Strength	853				1,000 lbs	-
Joint Strength		909		514	1,000 lbs	-
Reference Length		11,119		6,290	ft	-
MAKE-UP DATA	Pipe	втс	LTC	STC		
Make-Up Loss		4.81		3.50	in.	-
Minimum Make-Up Torque				3,860	ft-lb	-

Notes

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U. S. Steel Tubular Products 460 Wildwood Forest Drive, Suite 300S Spring, Texas 77380 1-877-893-9461 connections@uss.com www.usstubular.com

3-string Casing Design Assumptions

Surface Casing

Collapse: DF_C = 1.125

- a. Full internal Evacuation: Collapse force is equal to mud gradient (0.433 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.718 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst: $DF_B = 1.125$
 - a. Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.
- Tensile: $DF_T = 1.60$
 - a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8727 in water (8.33 ppg).

Intermediate Casing

Collapse: DF_c = 1.125

- a. Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.626 psi/ft) in which the casing will be run and internal force equivalent to the displacement of fluid gradient.

Burst: $DF_B = 1.125$

- a. Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but to exceed 70% of the minimum internal yield.
- b. Gas Kick: Internal burst load of a 50 bbl gas kick at the casing with drill pipe in the hole. External force will be 10.2 ppg brine water gradient (0.531 psi/ft) and internal force will be with 10.0 ppg brine water gradient (0.521 psi/ft) with gas kick.
- Tensile: $DF_T = 1.60$
 - a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8441 in brine water (10.2 ppg).

Production Casing

Collapse: DF_c = 1.125

- a. Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
- Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.688 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst: $DF_B = 1.125$
 - a. Pressure Test: Pressure test will be to 80% of Internal Yield Pressure of casing intended for fracture stimulation.

Tensile: $DF_T = 1.60$

a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8472 in oil-based mud (10.0 ppg).

DRAFT

SS	U. S. Steel Tubular Products					
	8 5/8 32.00 lb (0.352) P110 HP		USS-TALON H	r Q™RD9.0	00	
		PIPE	CONNECTION			
8	MECHANICAL PROPERTIES				[6]	
	Minimum Yield Strength	125,000		psi		
	Maximum Yield Strength	140,000		psi		
	Minimum Tensile Strength	130,000		psi		
	DIMENSIONS					Щ
ב	Outside Diameter	8.625	9.000	in.		JNCONTROLLE
5	Wall Thickness	0.352		in.		Ř
5	Inside Diameter	7.921	7.921	in.		Z
5	Drift - API	7.796		in.		8
4	Nominal Linear Weight, T&C	32.00	32.00	lbs/ft		S
L L	Plain End Weight	31.13		lbs/ft		
	SECTION AREA					
	Cross Sectional Area Critical Area	9.149	9.149	sq. in.		
ן	Joint Efficiency		100%	%	[2]	
5	PERFORMANCE					
5	Minimum Collapse Pressure	4,530	4,530	psi		
5	Minimum Internal Yield Pressure	8,930	8,930	psi		
٢	Minimum Pipe Body Yield Strength	1,144,000		lbs		
ς	Joint Strength		1,144,000	lbs		
ך	Compression Rating		1,144,000	lbs		
	Reference Length		23,833	ft	[5]	Δ
	Maximum Uniaxial Bend Rating		66.4	deg/100 ft	[3]	Щ.
	MAKE-UP DATA					CONTROLLED
8	Minimum Make-Up Torque		20,200	ft-lbs	[4]	Ë
	Maximum Make-Up Torque		26,000	ft-lbs	[4]	NON NON N
	Maximum Operating Torque		119,000	ft-lbs	[4]	N N
	Make-Up Loss		5.58	in.		5

Notes:

1) Other than proprietary collapse and connection values, performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness, and Specified Minimum Yield Strength (SMYS).

2) Compressive & Tensile Connection Efficiencies are calculated by dividing the connection critical area by the pipe body area.

Uniaxial bending rating shown is structural only, and equal to compression efficiency. 3)

Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up 4) torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).

5) Reference length is calculated by joint strength divided by Nominal Linear Weight, T&C with 1.5 safety factor.

6) Coupling must meet minimum mechanical properties of the pipe.

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3-string Casing Design Assumptions

Surface Casing

Collapse: DF_C = 1.125

- a. Full internal Evacuation: Collapse force is equal to mud gradient (0.433 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.718 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst: $DF_B = 1.125$
 - a. Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.
- Tensile: $DF_T = 1.60$
 - a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8727 in water (8.33 ppg).

Intermediate Casing

Collapse: DF_c = 1.125

- a. Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.626 psi/ft) in which the casing will be run and internal force equivalent to the displacement of fluid gradient.

Burst: $DF_B = 1.125$

- a. Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but to exceed 70% of the minimum internal yield.
- b. Gas Kick: Internal burst load of a 50 bbl gas kick at the casing with drill pipe in the hole. External force will be 10.2 ppg brine water gradient (0.531 psi/ft) and internal force will be with 10.0 ppg brine water gradient (0.521 psi/ft) with gas kick.
- Tensile: $DF_T = 1.60$
 - a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8441 in brine water (10.2 ppg).

Production Casing

Collapse: DF_c = 1.125

- a. Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
- b. Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.688 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst: $DF_B = 1.125$
 - a. Pressure Test: Pressure test will be to 80% of Internal Yield Pressure of casing intended for fracture stimulation.

Tensile: $DF_T = 1.60$

a. Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8472 in oil-based mud (10.0 ppg).

		Technica	al Specifications	
Connection Type:		Size(O.D.):	Weight (Wall):	Grade:
DWC/C-IS PLUS Ca	asing	5-1/2 in	20.00 lb/ft (0.361 in)	VST P110 EC
standard				
	Material			
VST P110 EC	Grade			
125,000	Minimum	Yield Strength (psi))	USA
135,000		Ultimate Strength (•	VAMILICA
-				VAM USA 4424 W. Sam Houston Pkwy. Suite 150
	Pipe Dim	ensions		Houston, TX 77041 Phone: 713-479-3200
5.500	Nominal I	Pipe Body O.D. (in)		Fridde: 713-479-3200
4.778	Nominal I	Pipe Body I.D.(in)		E-mail: <u>VAMUSAsales@vam_usa.com</u>
0.361	Nominal \	Nall Thickness (in)		
20.00	Nominal \	Neight (Ibs/ft)		
19.83		Weight (Ibs/ft)		
5.828	Nominal I	Pipe Body Area (sq	in)	
	Dine Dec	h Dorformonoo Dr	oportion	
720.000	•	ly Performance Pr Pipe Body Yield St	-	
729,000 12,090		Collapse Pressure		2
		•	50 F	2
14,360 13,100		Internal Yield Press ic Test Pressure (p		-
13,100	riyurostar	ic restriessure (p	31/	
	Connecti	on Dimensions		
6.300	Connectio	on O.D. (in)		
4.778	Connectio	on I.D. (in)		
4.653	Connectio	on Drift Diameter (ir	1)	
4.13	Make-up	Loss (in)		
5.828	Critical A	rea (sq in)		and the second se
100.0	Joint Effic	ciency (%)		
	Connecti	ion Performance P	roportioe	
729,000		ngth (lbs)	Toperties	2
26,040			1.4 Design Factor	2
728,000		Strength (lbs)	The congrit down	
729,000		sion Rating (lbs)		
12,090		pse Pressure Ratin	a (psi)	
14,360		al Pressure Resist		
104.2			ing [degrees/100 ft]	

Appoximated Field End Torque Values 16,600 Minimum Final Torque (ft-lbs) 19,100 Maximum Final Torque (ft-lbs) 21,600 Connection Yield Torque (ft-lbs)



For detailed information on performance properties, refer to DWC Connection Data Notes on following page(s).

Connection specifications within the control of VAM USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

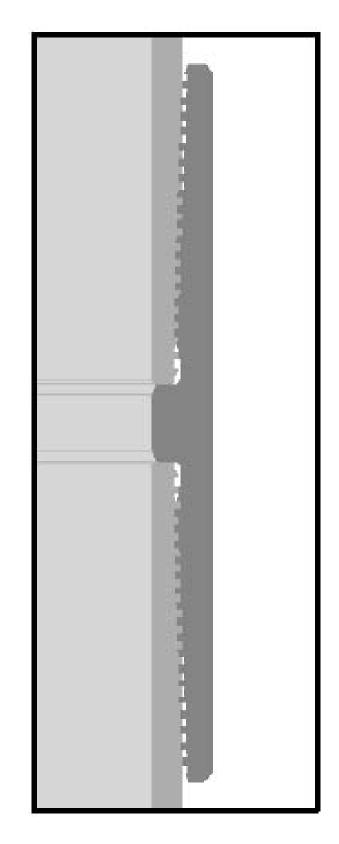
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2/6/2015

DWC Connection Data Notes:

- 1. DWC connections are available with a seal ring (SR) option.
- All standard DWC/C connections are interchangeable for a give pipe OD. DWC connections are interchangeable with DWC/C-SR connections of the same OD and wall.
- Connection performance properties are based on nominal pipe body and connection dimensions.
- DWC connection internal and external pressure resistance is calculated using the API rating for buttress connections. API Internal pressure resistance is calculated from formulas 31, 32, and 35 in the API Bulletin 5C3.
- DWC joint strength is the minimum pipe body yield strength multiplied by the connection critical area.
- API joint strength is for reference only. It is calculated from formulas 42 and 43 in the API Bulletin 5C3.
- 7. Bending efficiency is equal to the compression efficiency.
- The torque values listed are recommended. The actual torque required may be affected by field conditions such as temperature, thread compound, speed of make-up, weather conditions, etc.
- 9. Connection yield torque is not to be exceeded.
- Reference string length is calculated by dividing the joint strength by both the nominal weight in air and a design factor (DF) of 1.4. These values are offered for reference only and do not include load factors such as bending, buoyancy, temperature, load dynamics, etc.
- DWC connections will accommodate API standard drift diameters.





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2/6/2015



H₂S Drilling Operations Plan

- a. All personnel will be trained in H_2S working conditions as required by Onshore Order 6 before drilling out of the surface casing.
- b. Two briefing areas will be established. Each will be at least 150' from the wellhead, perpendicular from one another, and easily entered and exited. See H_2S page 5 for more details.

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

d. H₂S Safety Equipment/Systems:

- I. Well Control Equipment
- Flare line will be \geq 150' from the wellhead and ignited by a pilot light.
- Beware of SO_2 created by flaring.
- Choke manifold will include a remotely operated choke.
- Mud gas separator
- II. Protective Equipment for Essential Personnel
- Every person on site will be required to wear a personal H_2S and SO_2 monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the chest.
- One self-contained breathing apparatus (SCBA) 30-minute rescue pack will be at each briefing area. Two 30-minute SCBA packs will be stored in the safety trailer.
- Four work/escape packs will be on the rig floor. Each pack will have a long enough hose to allow unimpaired work activity.
- Four emergency escape packs will be in the doghouse for emergency evacuation.
- Hand signals will be used when wearing protective breathing apparatus.
- Stokes litter or stretcher
- Two full OSHA compliant body harnesses
- A 100-foot long x 5/8 inch OSHA compliant rope
- One 20-pound ABC fire extinguisher

1

- iii. H₂S Detection & Monitoring Equipment
- Every person on site will be required to wear a personal H_2S and SO_2 monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the chest.
- A stationary detector with three sensors will be in the doghouse.
- Sensors will be installed on the rig floor, bell nipple, and at the end of the flow line or where drilling fluids are discharged.
- Visual alarm will be triggered at 10 ppm.
- Audible alarm will be triggered at 10 ppm.
- Calibration will occur at least every 30 days. Gas sample tubes will be kept in the safety trailer.
- iv. Visual Warning System
- Color-coded H_2S condition sign will be set at the entrance to the pad.
- Color-coded condition flag will be installed to indicate current $\rm H_2S$ conditions.
- Two wind socks will be installed that will be visible from all sides.
- v. Mud Program
- A water based mud with a pH of ≥ 10 will be maintained to control corrosion, H₂S gas returns to the surface, and minimize sulfide stress cracking and embrittlement.
- Drilling mud containing H_2S gas will be degassed at an optimum location for the rig configuration.
- This gas will be piped into the flare system.
- Enough mud additives will be on location to scavenge and/or neutralize H_2S where formation pressures are unknown.
- vi. Metallurgy
- All equipment that has the potential to be exposed to H_2S will be suitable for H_2S service.
- Equipment that will meet these metallurgical standards include the drill string, casing, wellhead, BOP assembly, casing head and spool, rotating head, kill lines, choke, choke manifold and lines, valves, mud-gas separators, DST tools, test units, tubing, flanges, and other related equipment (elastomer packings and seals).

vii. Communication from well site

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

Hydrogen Sulfide Drilling Operations Plan EGL Resources, Inc Section 15, T19S, R33E Lea County, NM

Coordination with Authorities

It is EGL's responsibility to work with the proper agencies to properly respond to a major release. Every response by EGL must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER). In case of release, the OCD must be notified no later than four hours after start of release. When reporting a release, EGL must possess necessary information about the release such as: directions to wellsite, wind direction, volume, and location of release, etc. See below for contact information of company, local, state, and national officials and agencies.

EGL Resources, Inc

Office

Hobbs Agencies

Ambulance	
City Police	
Fire Department	
State Police	
Emergency Planning	
New Mexico OCD	575-393-6161 (EMERGENCY: 575-370-3186)
Bureau of Land Management	



E.G.L. Resources, Inc.

Lea, County NM (NAD 83) Millie Mile Pad Millie Mile 13-24 Fed Com 201H

Wellbore #1

Plan: Plan 3

Standard Planning Report

23 April, 2024



DIRECTIN	ONAL			Planning Repo	rt		E. G.L. Resources, Inc.
Database: Company: Project: Site: Well: Wellbore: Design:	Millie Mile Pa	urces, Inc. NM (NAD 83)	201H	Local Co-ordin TVD Reference MD Reference North Referen Survey Calcul	: ce:	RKB 25' + GL 370	-24 Fed Com 201H 8.57 @ 3733.57usft 8.57 @ 3733.57usft re
Project	Lea, County I	NM (NAD 83)					
Geo Datum:	US State Plane North Americar New Mexico Ea	n Datum 1983		System Datum:		Mean Sea Level	
Site	Millie Mile Pa	d					
Site Position: From: Position Uncertainty:	Мар	0.00 usft	Northing: Easting: Slot Radius:	607,084. 759,718. 13-3/	58 usft Longitu		32.66691567 -103.62367395
Well	Millie Mile 13-	24 Fed Com 20	1H				
Well Position Position Uncertainty Grid Convergence:	+N/-S +E/-W	0.00 usft 0.00 usft 0.50 usft 0.38 °	Northing: Easting: Wellhead Ele	7	07,084.97 usft 59,658.58 usft usft	Latitude: Longitude: Ground Level:	32.66691677 -103.62386892 3,708.57 usft
Wellbore	Wellbore #1						
Magnetics	Model Na	ame	Sample Date	Declination (°)		Dip Angle (°)	Field Strength (nT)
	BGG	GM 2023	12/14/2023		6.49	60.47	47,546.00000000
Design	Plan 3						
Audit Notes: Version:			Phase:	PLAN	Tie On Dept	h : 0	.00
Vertical Section:		. (1	rom (TVD) usft)	+N/-S (usft)	+E/-W (usft)	Direc (°)
		0	0.00	0.00	0.00	180	.00
Plan Survey Tool Pro	gram	Date 4/23/2	2024				
Depth From (usft)	Depth To						

OWSG MWD + IFR1 + Multi-St

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,103.01	12.06	21.25	2,098.57	58.93	22.92	2.00	2.00	0.00	21.25	
4,969.13	12.06	21.25	4,901.43	617.05	240.00	0.00	0.00	0.00	0.00	
5,572.15	0.00	0.00	5,500.00	675.98	262.92	2.00	-2.00	0.00	180.00	
9,749.19	0.00	0.00	9,677.04	675.98	262.92	0.00	0.00	0.00	0.00	
10,649.19	90.00	179.75	10,250.00	103.03	265.43	10.00	10.00	19.97	179.75	
21,104.97	90.00	179.75	10,250.00	-10,352.65	311.24	0.00	0.00	0.00	0.00	MM 201H PBHL(10' I

4/23/2024 12:03:21PM

.



Planning Report



Well Millie Mile 13-24 Fed Com 201H

RKB 25' + GL 3708.57 @ 3733.57usft

RKB 25' + GL 3708.57 @ 3733.57usft

Grid

Minimum Curvature

1 - EDM Production Database: Local Co-ordinate Reference: Company: E.G.L. Resources, Inc. TVD Reference: Project: Lea, County NM (NAD 83) MD Reference: Site: Millie Mile Pad North Reference: Well: Millie Mile 13-24 Fed Com 201H Survey Calculation Method: Wellbore: Wellbore #1 Design: Plan 3

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2									
1,600.00	2.00	21.25	1,599.98	1.63	0.63	-1.63	2.00	2.00	0.00
1,700.00	4.00	21.25	1,699.84	6.50	2.53	-6.50	2.00	2.00	0.00
1,800.00	6.00	21.25	1,799.45	14.63	5.69	-14.63	2.00	2.00	0.00
1,900.00	8.00	21.25	1,898.70	25.98	10.11	-25.98	2.00	2.00	0.00
2,000.00	10.00	21.25	1,997.47	40.56	15.78	-40.56	2.00	2.00	0.00
2,103.01	12.06	21.25	2,098.57	58.93	22.92	-58.93	2.00	2.00	0.00
	2 hold at 2103.01								
2,200.00	12.06	21.25	2,193.42	77.82	30.27	-77.82	0.00	0.00	0.00
2,300.00 2,400.00	12.06 12.06	21.25 21.25	2,291.21 2,389.00	97.29 116.76	37.84 45.41	-97.29 -116.76	0.00 0.00	0.00 0.00	0.00 0.00
2,500.00	12.06	21.25	2,486.79	136.24	52.99	-136.24	0.00	0.00	0.00
2,600.00	12.06	21.25	2,584.59	155.71	60.56	-155.71	0.00	0.00	0.00
2,700.00	12.06	21.25	2,682.38 2,780.17	175.18	68.14 75.71	-175.18 -194.65	0.00 0.00	0.00 0.00	0.00 0.00
2,800.00 2,900.00	12.06 12.06	21.25 21.25	2,780.17 2,877.97	194.65 214.13	75.71 83.28	-194.65 -214.13	0.00	0.00	0.00
3,000.00	12.06	21.25	2,975.76	233.60	90.86	-233.60	0.00	0.00	0.00
3,100.00	12.06	21.25	3,073.55	253.07	98.43	-253.07	0.00	0.00	0.00
3,200.00	12.06	21.25	3,171.34	272.55	106.01	-272.55	0.00	0.00	0.00
3,300.00	12.06	21.25	3,269.14	292.02	113.58	-292.02	0.00	0.00	0.00 0.00
3,400.00	12.06	21.25	3,366.93	311.49	121.15	-311.49	0.00	0.00	
3,500.00	12.06	21.25	3,464.72	330.97	128.73	-330.97	0.00	0.00	0.00
3,600.00	12.06	21.25	3,562.52	350.44	136.30	-350.44	0.00	0.00	0.00
3,700.00	12.06	21.25	3,660.31	369.91	143.88	-369.91	0.00	0.00	0.00
3,800.00	12.06	21.25	3,758.10	389.38	151.45	-389.38	0.00	0.00	0.00
3,900.00	12.06	21.25	3,855.89	408.86	159.02	-408.86	0.00	0.00	0.00
4,000.00	12.06	21.25	3,953.69	428.33	166.60	-428.33	0.00	0.00	0.00
4,100.00	12.06	21.25	4,051.48	447.80	174.17	-447.80	0.00	0.00	0.00
4,200.00	12.06	21.25	4,149.27	467.28	181.75	-467.28	0.00	0.00	0.00
4,300.00	12.06	21.25	4,247.07	486.75	189.32	-486.75	0.00	0.00	0.00
4,400.00	12.06	21.25	4,344.86	506.22	196.89	-506.22	0.00	0.00	0.00
4,500.00	12.06	21.25	4,442.65	525.70	204.47	-525.70	0.00	0.00	0.00
4,600.00	12.06	21.25	4,540.44	545.17	212.04	-545.17	0.00	0.00	0.00
4,700.00	12.06	21.25	4,638.24	564.64	219.62	-564.64	0.00	0.00	0.00
4,800.00	12.06	21.25	4,736.03	584.11	227.19	-584.11	0.00	0.00	0.00
4,900.00	12.06	21.25	4,833.82	603.59	234.76	-603.59	0.00	0.00	0.00
4,969.13	12.06	21.25	4,901.43		240.00				

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COMPASS 5000.16 Build 96



Planning Report



Well Millie Mile 13-24 Fed Com 201H

RKB 25' + GL 3708.57 @ 3733.57usft

RKB 25' + GL 3708.57 @ 3733.57usft

Grid

Minimum Curvature

Page 41 of 82

1 - EDM Production Database: Local Co-ordinate Reference: Company: E.G.L. Resources, Inc. TVD Reference: Project: Lea, County NM (NAD 83) MD Reference: Site: Millie Mile Pad North Reference: Well: Millie Mile 13-24 Fed Com 201H Survey Calculation Method: Wellbore: Wellbore #1 Design: Plan 3

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Section (usft)	Rate (°/100usft)	Rate (°/100usft)	Rate (°/100usft)
Start Drop -2	2.00								
5,000.00	11.44	21.25	4,931.65	622.91	242.28	-622.91	2.00	-2.00	0.00
5,100.00	9.44	21.25	5,029.99	639.80	248.85	-639.80	2.00	-2.00	0.00
5,200.00	7.44	21.25	5,128.90	653.48	254.17	-653.48	2.00	-2.00	0.00
5,300.00	5.44	21.25	5,228.26	663.94	258.24	-663.94	2.00	-2.00	0.00
5,400.00	3.44	21.25	5,327.96	671.16	261.05	-671.16	2.00	-2.00	0.00
5,500.00	1.44	21.25	5,427.86	675.13	262.59	-675.13	2.00	-2.00	0.00
5,572.15	0.00	0.00	5,500.00	675.98	262.92	-675.98	2.00	-2.00	0.00
Start 4177.0	4 hold at 5572.1	5 MD							
5,600.00	0.00	0.00	5,527.85	675.98	262.92	-675.98	0.00	0.00	0.00
5,700.00	0.00	0.00	5,627.85	675.98	262.92	-675.98	0.00	0.00	0.00
5 000 00	0.00	0.00	F 707 0F		000.00	075.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,727.85	675.98	262.92	-675.98	0.00	0.00	0.00
5,900.00	0.00	0.00	5,827.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,000.00	0.00	0.00	5,927.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,100.00	0.00	0.00	6,027.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,200.00	0.00	0.00	6,127.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,300.00	0.00	0.00	6,227.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,400.00	0.00	0.00	6,327.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,500.00	0.00	0.00	6,427.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,600.00	0.00	0.00	6,527.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,700.00	0.00	0.00	6,627.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,800.00	0.00	0.00	6,727.85	675.98	262.92	-675.98	0.00	0.00	0.00
6,900.00	0.00	0.00	6,827.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,000.00	0.00	0.00	6,927.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,100.00	0.00	0.00	7,027.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,200.00	0.00	0.00	7,127.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,300.00	0.00	0.00	7,227.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,400.00	0.00	0.00	7,327.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,500.00	0.00	0.00	7,427.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,600.00	0.00	0.00	7,527.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,700.00	0.00	0.00	7,627.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,800.00	0.00	0.00	7,727.85	675.98	262.92	-675.98	0.00	0.00	0.00
7,900.00	0.00	0.00	7,827.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,000.00	0.00	0.00	7,927.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,100.00	0.00	0.00	8,027.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,200.00	0.00	0.00	8,127.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,300.00	0.00	0.00	8,227.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,400.00	0.00	0.00	8,327.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,500.00	0.00	0.00	8,427.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,500.00 8,600.00	0.00			675.98	262.92	-675.98	0.00	0.00	0.00
		0.00	8,527.85						
8,700.00	0.00	0.00	8,627.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,800.00	0.00	0.00	8,727.85	675.98	262.92	-675.98	0.00	0.00	0.00
8,900.00	0.00	0.00	8,827.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,000.00	0.00	0.00	8,927.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,100.00	0.00	0.00	9,027.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,200.00	0.00	0.00	9,127.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,300.00	0.00	0.00	9,227.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,300.00 9,400.00	0.00	0.00	9,227.85 9,327.85	675.98	262.92	-675.98 -675.98	0.00	0.00	0.00
9,500.00	0.00	0.00	9,427.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,600.00	0.00	0.00	9,527.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,700.00	0.00	0.00	9,627.85	675.98	262.92	-675.98	0.00	0.00	0.00
9,749.19	0.00	0.00	9,677.04	675.98	262.92	-675.98	0.00	0.00	0.00

4/23/2024 12:03:21PM



Planning Report



Well Millie Mile 13-24 Fed Com 201H

RKB 25' + GL 3708.57 @ 3733.57usft

RKB 25' + GL 3708.57 @ 3733.57usft

Grid

Minimum Curvature

Page 42 of 82

1 - EDM Production Database: Local Co-ordinate Reference: Company: E.G.L. Resources, Inc. TVD Reference: Project: Lea, County NM (NAD 83) MD Reference: Site: Millie Mile Pad North Reference: Well: Millie Mile 13-24 Fed Com 201H Survey Calculation Method: Wellbore: Wellbore #1 Design: Plan 3

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)
9,800.00	5.08	179.75	9,727.79	673.73	262.93	-673.73	10.00	10.00	0.00
9,850.00	10.08	179.75	9,777.33	667.13	262.96	-667.13	10.00	10.00	0.00
9,900.00	15.08	179.75	9,826.12	656.25	263.01	-656.25	10.00	10.00	0.00
9,950.00	20.08	179.75	9,873.77	641.15	263.07	-641.15	10.00	10.00	0.00
10,000.00	25.08	179.75	9,919.92	621.95	263.16	-621.95	10.00	10.00	0.00
10,050.00	30.08	179.75	9,964.22	598.81	263.26	-598.81	10.00	10.00	0.00
10,100.00	35.08	179.75	10,006.34	571.90	263.38	-571.90	10.00	10.00	0.00
10,150.00	40.08	179.75	10,045.95	541.41	263.51	-541.41	10.00	10.00	0.00
10,200.00	45.08	179.75	10,082.76	507.59	263.66	-507.59	10.00	10.00	0.00
10,250.00	50.08	179.75	10,116.47	470.69	263.82	-470.69	10.00	10.00	0.00
10,300.00	55.08	179.75	10,146.85	430.99	263.99	-430.99	10.00	10.00	0.00
10,350.00	60.08	179.75	10,173.64	388.80	264.18	-388.80	10.00	10.00	0.00
10,400.00	65.08	179.75	10,196.66	344.43	264.37	-344.43	10.00	10.00	0.00
10,450.00	70.08	179.75	10,215.72	298.22	264.58	-298.22	10.00	10.00	0.00
10,500.00	75.08	179.75	10,230.68	250.53	264.78	-250.53	10.00	10.00	0.00
10,550.00	80.08	179.75	10,241.43	201.72	265.00	-201.72	10.00	10.00	0.00
10,600.00	85.08	179.75	10,247.89	152.15	265.22	-152.15	10.00	10.00	0.00
10,649.19	90.00	179.75	10,250.00	103.03	265.43	-103.03	10.00	10.00	0.00
	.78 hold at 10649		10.0=0.00		000 00				
10,700.00	90.00	179.75	10,250.00	52.21	265.65	-52.21	0.00	0.00	0.00
10,800.00	90.00	179.75	10,250.00	-47.78	266.09	47.78	0.00	0.00	0.00
10,900.00	90.00	179.75	10,250.00	-147.78	266.53	147.78	0.00	0.00	0.00
11,000.00	90.00	179.75	10,250.00	-247.78	266.97	247.78	0.00	0.00	0.00
11,100.00	90.00	179.75	10,250.00	-347.78	267.41	347.78	0.00	0.00	0.00
11,200.00	90.00	179.75	10,250.00	-447.78	267.84	447.78	0.00	0.00	0.00
11,300.00	90.00	179.75	10,250.00	-547.78	268.28	547.78	0.00	0.00	0.00
11,400.00	90.00	179.75	10,250.00	-647.78	268.72	647.78	0.00	0.00	0.00
11,500.00	90.00	179.75	10,250.00	-747.78	269.16	747.78	0.00	0.00	0.00
11,600.00	90.00	179.75	10,250.00	-847.78	269.60	847.78	0.00	0.00	0.00
11,700.00	90.00	179.75	10,250.00	-947.78	270.03	947.78	0.00	0.00	0.00
11,800.00	90.00	179.75	10,250.00	-1,047.77	270.47	1,047.77	0.00	0.00	0.00
11,900.00	90.00	179.75	10,250.00	-1,147.77	270.47	1,147.77	0.00	0.00	0.00
12,000.00	90.00	179.75	10,250.00	-1,247.77	270.91	1,147.77	0.00	0.00	0.00
12,000.00	90.00	179.75	10,250.00	-1,247.77	271.35	1,247.77	0.00	0.00	0.00
12,100.00	90.00	179.75	10,250.00	-1,347.77 -1,447.77	271.79	1,347.77	0.00	0.00	0.00
12,300.00	90.00	179.75	10,250.00	-1,547.77	272.66	1,547.77	0.00	0.00	0.00
12,400.00	90.00	179.75	10,250.00	-1,647.77	273.10	1,647.77	0.00	0.00	0.00
12,500.00	90.00	179.75	10,250.00	-1,747.77	273.54	1,747.77	0.00	0.00	0.00
12,600.00	90.00	179.75	10,250.00	-1,847.77	273.98	1,847.77	0.00	0.00	0.00
12,700.00	90.00	179.75	10,250.00	-1,947.77	274.42	1,947.77	0.00	0.00	0.00
12,800.00	90.00	179.75	10,250.00	-2,047.77	274.85	2,047.77	0.00	0.00	0.00
12,900.00	90.00	179.75	10,250.00	-2,147.76	275.29	2,147.76	0.00	0.00	0.00
13,000.00	90.00	179.75	10,250.00	-2,247.76	275.73	2,247.76	0.00	0.00	0.00
13,100.00	90.00	179.75	10,250.00	-2,347.76	276.17	2,347.76	0.00	0.00	0.00
13,200.00	90.00	179.75	10,250.00	-2,447.76	276.61	2,447.76	0.00	0.00	0.00
13,300.00	90.00	179.75	10,250.00	-2,547.76	277.04	2,547.76	0.00	0.00	0.00
13,400.00	90.00	179.75	10,250.00	-2,647.76	277.48	2,647.76	0.00	0.00	0.00
13,500.00	90.00	179.75	10,250.00	-2,747.76	277.92	2,747.76	0.00	0.00	0.00
13,600.00	90.00	179.75	10,250.00	-2,847.76	278.36	2,847.76	0.00	0.00	0.00
13,700.00	90.00	179.75	10,250.00	-2,947.76	278.80	2,947.76	0.00	0.00	0.00
13,800.00	90.00	179.75	10,250.00	-3,047.76	279.24	3,047.76	0.00	0.00	0.00
13,900.00	90.00	179.75	10,250.00	-3,047.76 -3,147.75	279.24 279.67	3,047.76	0.00	0.00	0.00
				-3,147.75 -3,247.75					
14,000.00 14,100.00	90.00	179.75	10,250.00	,	280.11	3,247.75	0.00	0.00	0.00
14 100 00	90.00	179.75	10,250.00	-3,347.75	280.55	3,347.75	0.00	0.00	0.00

4/23/2024 12:03:21PM

COMPASS 5000.16 Build 96



Planning Report



Well Millie Mile 13-24 Fed Com 201H

RKB 25' + GL 3708.57 @ 3733.57usft

RKB 25' + GL 3708.57 @ 3733.57usft

Grid

Minimum Curvature

1 - EDM Production Database: Local Co-ordinate Reference: Company: E.G.L. Resources, Inc. TVD Reference: Project: Lea, County NM (NAD 83) MD Reference: Site: Millie Mile Pad North Reference: Well: Millie Mile 13-24 Fed Com 201H Survey Calculation Method: Wellbore: Wellbore #1 Design: Plan 3

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)
14,200.00	90.00	179.75	10,250.00	-3,447.75	280.99	3,447.75	0.00	0.00	0.00
14,300.00	90.00	179.75	10,250.00	-3,547.75	281.43	3,547.75	0.00	0.00	0.00
14,400.00	90.00	179.75	10,250.00	-3,647.75	281.86	3,647.75	0.00	0.00	0.00
14,500.00	90.00	179.75	10,250.00	-3,747.75	282.30	3,747.75	0.00	0.00	0.00
14,600.00	90.00	179.75	10,250.00	-3,847.75	282.74	3,847.75	0.00	0.00	0.00
14,700.00	90.00	179.75	10,250.00	-3,947.75	283.18	3,947.75	0.00	0.00	0.00
14,800.00	90.00	179.75	10,250.00	-4,047.75	283.62	4,047.75	0.00	0.00	0.00
14,900.00	90.00	179.75	10,250.00	-4,147.75	284.06	4,147.75	0.00	0.00	0.00
15,000.00	90.00	179.75	10,250.00	-4,247.74	284.49	4,247.74	0.00	0.00	0.00
15,100.00	90.00	179.75	10,250.00	-4,347.74	284.93	4,347.74	0.00	0.00	0.00
15,200.00	90.00	179.75	10,250.00	-4,447.74	285.37	4,447.74	0.00	0.00	0.00
15,300.00	90.00	179.75	10,250.00	-4,547.74	285.81	4,547.74	0.00	0.00	0.00
15,400.00	90.00	179.75	10,250.00	-4,647.74	286.25	4,647.74	0.00	0.00	0.00
15,500.00	90.00	179.75	10,250.00	-4,747.74	286.68	4,747.74	0.00	0.00	0.00
15,600.00	90.00	179.75	10,250.00	-4,847.74	287.12	4,847.74	0.00	0.00	0.00
15,700.00	90.00	179.75	10,250.00	-4,947.74	287.56	4,947.74	0.00	0.00	0.00
15,800.00	90.00	179.75	10,250.00	-5,047.74	288.00	5,047.74	0.00	0.00	0.00
15,900.00	90.00	179.75	10,250.00	-5,147.74	288.44	5,147.74	0.00	0.00	0.00
16,000.00	90.00	179.75	10,250.00	-5,247.73	288.88	5,247.73	0.00	0.00	0.00
16,100.00	90.00	179.75	10,250.00	-5,347.73	289.31	5,347.73	0.00	0.00	0.00
16,200.00	90.00	179.75	10,250.00	-5,447.73	289.75	5,447.73	0.00	0.00	0.00
16,300.00	90.00	179.75	10,250.00	-5,547.73	290.19	5,547.73	0.00	0.00	0.00
16,400.00	90.00	179.75	10,250.00	-5,647.73	290.63	5,647.73	0.00	0.00	0.00
16,500.00	90.00	179.75	10,250.00	-5,747.73	291.07	5,747.73	0.00	0.00	0.00
16,600.00	90.00	179.75	10,250.00	-5,847.73	291.50	5,847.73	0.00	0.00	0.00
16,700.00	90.00	179.75	10,250.00	-5,947.73	291.94	5,947.73	0.00	0.00	0.00
16,800.00	90.00	179.75	10,250.00	-6,047.73	292.38	6,047.73	0.00	0.00	0.00
16,900.00	90.00	179.75	10,250.00	-6,147.73	292.30	6,147.73	0.00	0.00	0.00
17,000.00	90.00	179.75	10,250.00	-6,247.73	292.02	6,247.73	0.00	0.00	0.00
		179.75							
17,100.00	90.00		10,250.00	-6,347.72	293.69	6,347.72	0.00	0.00	0.00
17,200.00	90.00	179.75	10,250.00	-6,447.72	294.13	6,447.72	0.00	0.00	0.00
17,300.00	90.00	179.75	10,250.00	-6,547.72	294.57	6,547.72	0.00	0.00	0.00
17,400.00	90.00	179.75	10,250.00	-6,647.72	295.01	6,647.72	0.00	0.00	0.00
17,500.00	90.00	179.75	10,250.00	-6,747.72	295.45	6,747.72	0.00	0.00	0.00
17,600.00	90.00	179.75	10,250.00	-6,847.72	295.89	6,847.72	0.00	0.00	0.00
17,700.00	90.00	179.75	10,250.00	-6,947.72	296.32	6,947.72	0.00	0.00	0.00
17,800.00	90.00	179.75	10,250.00	-7,047.72	296.76	7,047.72	0.00	0.00	0.00
17,900.00	90.00	179.75	10,250.00	-7,147.72	297.20	7,147.72	0.00	0.00	0.00
18,000.00	90.00	179.75	10,250.00	-7,247.72	297.64	7,247.72	0.00	0.00	0.00
18,100.00	90.00	179.75	10,250.00	-7,347.71	298.08	7,347.71	0.00	0.00	0.00
18,200.00	90.00	179.75	10,250.00	-7,447.71	298.51	7,447.71	0.00	0.00	0.00
18,300.00	90.00	179.75	10,250.00	-7,547.71	298.95	7,547.71	0.00	0.00	0.00
18,400.00	90.00	179.75	10,250.00	-7,647.71	299.39	7,647.71	0.00	0.00	0.00
18,500.00	90.00	179.75	10,250.00	-7,747.71	299.83	7,747.71	0.00	0.00	0.00
18,600.00	90.00	179.75	10,250.00	-7,847.71	300.27	7,847.71	0.00	0.00	0.00
18,700.00	90.00	179.75	10,250.00	-7,947.71	300.71	7,947.71	0.00	0.00	0.00
18,800.00	90.00	179.75	10,250.00	-8,047.71	301.14	8,047.71	0.00	0.00	0.00
18,900.00	90.00	179.75	10,250.00	-8,147.71	301.58	8,147.71	0.00	0.00	0.00
19,000.00	90.00	179.75	10,250.00	-8,247.71	302.02	8,247.71	0.00	0.00	0.00
19,100.00	90.00	179.75	10,250.00	-8,347.70	302.46	8,347.70	0.00	0.00	0.00
19,200.00	90.00	179.75	10,250.00	-8,447.70	302.90	8,447.70	0.00	0.00	0.00
19,300.00	90.00	179.75	10,250.00	-8,547.70	303.33	8,547.70	0.00	0.00	0.00
19,300.00	90.00	179.75	10,250.00	-8,647.70	303.77	8,647.70	0.00	0.00	0.00
19,500.00	90.00	179.75	10,250.00	-8,747.70	304.21	8,747.70	0.00	0.00	0.00

4/23/2024 12:03:21PM

Released to Imaging: 9/5/2024 8:04:05 AM

COMPASS 5000.16 Build 96



Planning Report



1 - EDM Production Well Millie Mile 13-24 Fed Com 201H Database: Local Co-ordinate Reference: Company: E.G.L. Resources, Inc. TVD Reference: RKB 25' + GL 3708.57 @ 3733.57usft Project: Lea, County NM (NAD 83) MD Reference: RKB 25' + GL 3708.57 @ 3733.57usft Site: Millie Mile Pad North Reference: Grid Well: Millie Mile 13-24 Fed Com 201H Survey Calculation Method: Minimum Curvature Wellbore: Wellbore #1 Design: Plan 3

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)
19,600.00	90.00	179.75	10,250.00	-8,847.70	304.65	8,847.70	0.00	0.00	0.00
19,700.00	90.00	179.75	10,250.00	-8,947.70	305.09	8,947.70	0.00	0.00	0.00
19,800.00	90.00	179.75	10,250.00	-9,047.70	305.52	9,047.70	0.00	0.00	0.00
19,900.00	90.00	179.75	10,250.00	-9,147.70	305.96	9,147.70	0.00	0.00	0.00
20,000.00	90.00	179.75	10,250.00	-9,247.70	306.40	9,247.70	0.00	0.00	0.00
20,100.00	90.00	179.75	10,250.00	-9,347.70	306.84	9,347.70	0.00	0.00	0.00
20,200.00	90.00	179.75	10,250.00	-9,447.69	307.28	9,447.69	0.00	0.00	0.00
20,300.00	90.00	179.75	10,250.00	-9,547.69	307.72	9,547.69	0.00	0.00	0.00
20,400.00	90.00	179.75	10,250.00	-9,647.69	308.15	9,647.69	0.00	0.00	0.00
20,500.00	90.00	179.75	10,250.00	-9,747.69	308.59	9,747.69	0.00	0.00	0.00
20,600.00	90.00	179.75	10,250.00	-9,847.69	309.03	9,847.69	0.00	0.00	0.00
20,700.00	90.00	179.75	10,250.00	-9,947.69	309.47	9,947.69	0.00	0.00	0.00
20,800.00	90.00	179.75	10,250.00	-10,047.69	309.91	10,047.69	0.00	0.00	0.00
20,900.00	90.00	179.75	10,250.00	-10,147.69	310.34	10,147.69	0.00	0.00	0.00
21,000.00	90.00	179.75	10,250.00	-10,247.69	310.78	10,247.69	0.00	0.00	0.00
21,104.97	90.00	179.75	10,250.00	-10,352.65	311.24	10,352.65	0.00	0.00	0.00
TD at 21104.97	7								

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
MM 201H SHL - plan hits target cente - Point	0.00 r	0.01	0.00	0.00	0.00	607,084.97	759,658.58	32.66691677	-103.62386892
MM 201H VP - plan hits target cente - Point	0.00 er	0.00	6,500.00	675.98	262.92	607,760.95	759,921.50	32.66876987	-103.62299988
MM 201H KOP - plan hits target cente - Point	0.00 er	0.00	9,677.04	675.98	262.92	607,760.95	759,921.50	32.66876987	-103.6229998
MM 201H PPP2(0' FNL - plan misses target co - Point	0.00 enter by 2.12		10,250.00 10.56usft MD	-3,758.32 0 (10250.00 TV	280.23 D, -3758.31 N	603,326.65 I, 282.35 E)	759,938.81	32.65658186	-103.62304004
MM 201H FTP/PPP1(10 - plan hits target cente - Point	0.00 er	0.00	10,250.00	103.03	265.43	607,188.01	759,924.01	32.66719508	-103.6230041
MM 201H PBHL(10' FSL - plan hits target cente - Point	0.00 er	0.00	10,250.00	-10,352.65	311.24	596,732.32	759,969.82	32.63845671	-103.6230825
MM 201H LTP(100' FSL - plan misses target ca - Point	0.00 enter by 14.9		10,250.00 000.00usft M	-10,262.65 D (10250.00 T	310.80 VD, -10247.69	596,822.32 9 N, 310.78 E)	759,969.38	32.63870408	-103.6230820
MM 201H PPP3(0' FNL - plan misses target co - Point	0.00 enter by 2.84		10,250.00 30.52usft MD	-5,078.27 0 (10250.00 TV	285.29 D, -5078.26 N	602,006.70 I, 288.13 E)	759,943.87	32.65295388	-103.62305229

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Millie Mile 13-24 Fed Com 201H

Vertical

Depth

(usft)

10,250.00 20" Casing

Wellbore #1

Plan 3

Measured Depth

(usft)

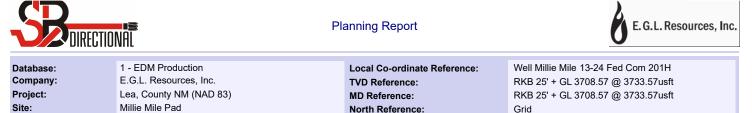
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Well:

Wellbore:

Casing Points

Design:



Survey Calculation Method:

Minimum Curvature

Casing

Diameter

(")

20

Hole

Diameter

(")

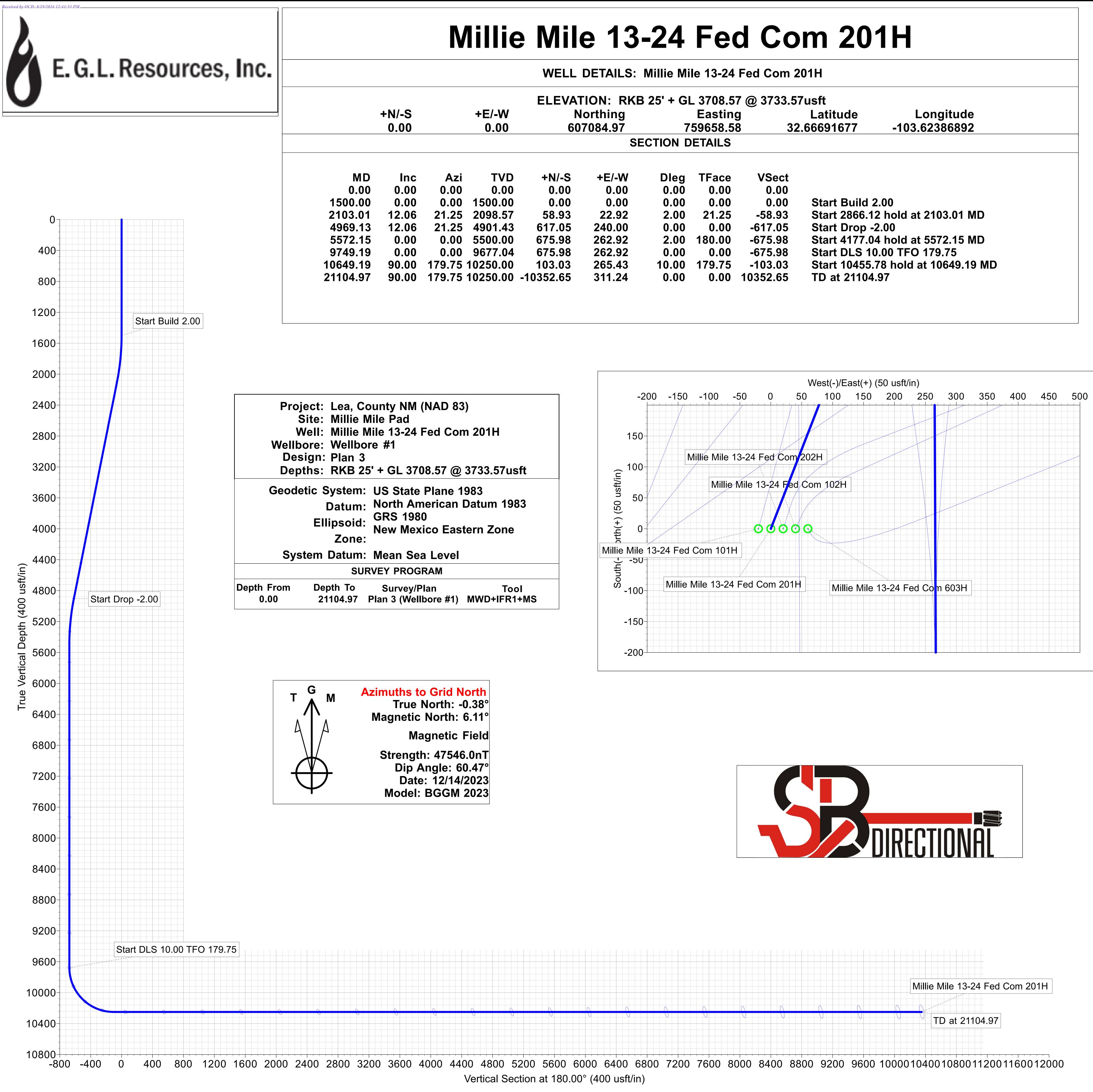
24

nnotations					
Measure	ed	Vertical	Local Coor	dinates	
Depth		Depth	+N/-S	+E/-W	
(usft)		(usft)	(usft)	(usft)	Comment
1,500	0.00	1,500.00	0.00	0.00	Start Build 2.00
2,103	3.01	2,098.57	58.93	22.92	Start 2866.12 hold at 2103.01 MD
4,969	9.13	4,901.43	617.05	240.00	Start Drop -2.00
5,572	2.15	5,500.00	675.98	262.92	Start 4177.04 hold at 5572.15 MD
9,749	9.19	9,677.04	675.98	262.92	Start DLS 10.00 TFO 179.75
10,649	9.19	10,250.00	103.03	265.43	Start 10455.78 hold at 10649.19 MD
21,104	1.97	10,250.00	-10,352.65	311.24	TD at 21104.97

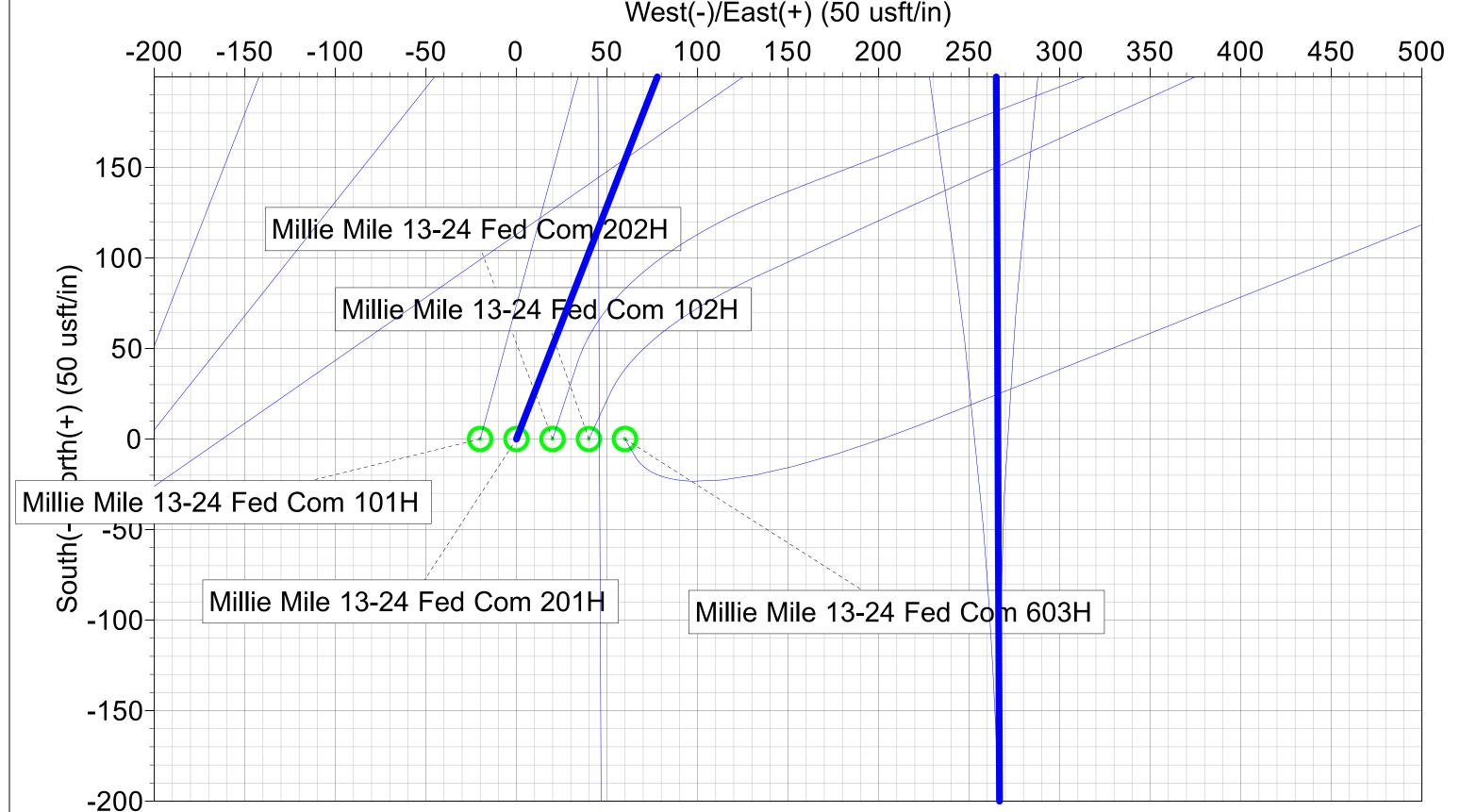
Name

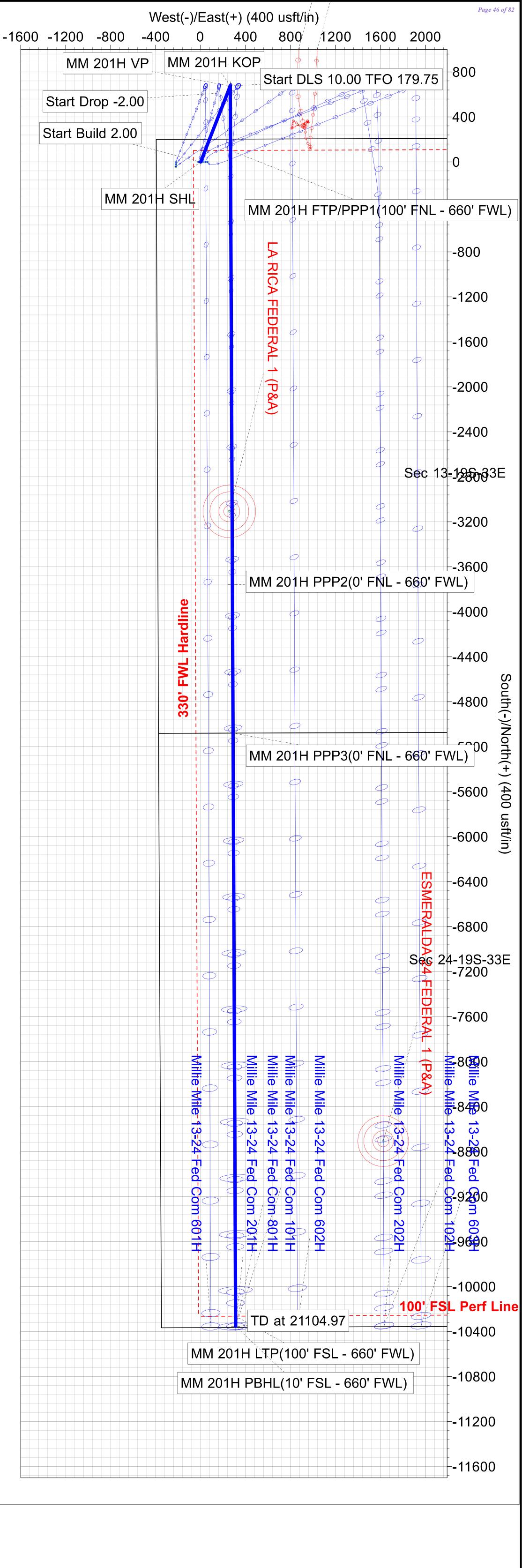
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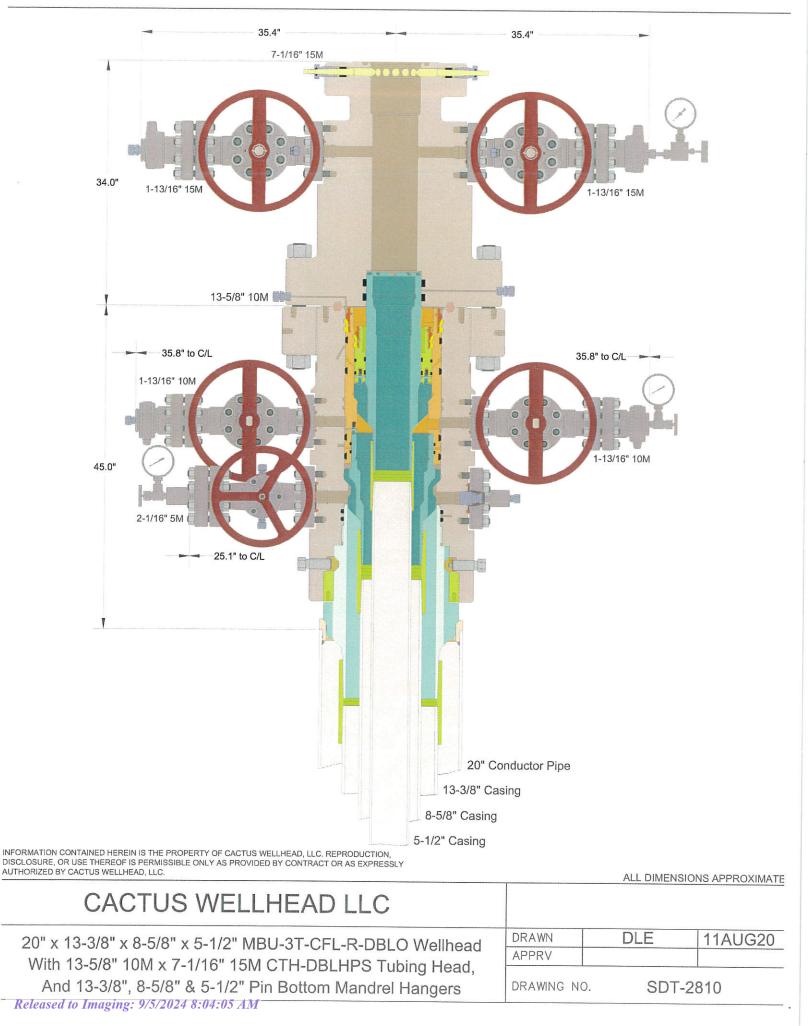
Page 45 of 82



			ELEVA	TION: RK	B 25' + GI	_ 3708.5	7 @ 37			
+N/-S		+E/-W		Northing		Easting				
0.00		0.00	6	07084.97	7	59658.5				
				S		ETAILS				
Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VS			
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0			
0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0			
12.06	21.25	2098.57	58.93	22.92	2.00	21.25	-58			
12.06	21.25	4901.43	617.05	240.00	0.00	0.00	-617			
0.00	0.00	5500.00	675.98	262.92	2.00	180.00	-675			
0.00	0.00	9677.04	675.98	262.92	0.00	0.00	-675			
90.00	179.75	10250.00	103.03	265.43	10.00	179.75	-103			
90.00	179.75	10250.00	-10352.65	311.24	0.00	0.00	10352			









LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD

CERTIFICATE OF QUALITY

LTYY/QR-5.7.1-19B

№: LT2023-052-006

Customer Name	Aı	ustin Hose	1 -
Product Name	Chok	e And Kill Hose	
Product Specification	3"×10000psi×35ft (10.67m)	Quantity	8PCS
Serial Number	7660103~7660110	FSL	FSL3
Temperature Range	-29°C ~+121°C	Standard	API Spec 16C 3 rd edition
Inspection Department	Q.C. Department	Inspection date	2023.04.22

N	Inspectio	on Items	,			Inspection result	S
	Appearance C	Checkin	g		In accordar	ace with API Spec	16C 3 rd edition
	Size and Le	engths			In accordar	ace with API Spec	16C 3 rd edition
D	Dimensions and	Tolerar	nces		In accordar	ace with API Spec	16C 3 rd edition
End Connections: 4-1	/16"×10000psi In	ntegral fla	ange for sour gas ser	vice	In accorda	nce with API Spec	6A 21 st edition
	Hydrostatic	Testing			In accordar	nce with API Spec	16C 3 rd edition
	product Ma	arking			In accordar	nce with API Spec	16C 3 rd edition
Inspection cor	nclusion		The inspected ite	ms m	eet standard requirer	nents of API Spec	16C 3 rd edition
Remark	S	3 3			~		
Approver	Jiau long C	chen	Auditor	F/	liging Dong	Inspector	Zhansheng Wang

(C) LETONE

LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD

HYDROSTATIC TESING REPORT

LTYY/QR-5.7.1-2	8
-----------------	---

LTYY/QR-5.7.1-2	8		№: <u>230422006</u>
Product Name	Choke And Kill Hose	Standard	API Spec 16C 3 rd edition
Product Specification	3"×10000psi×35ft (10.67m)	Serial Number	7660103
Inspection Equipment	МТИ-ВЅ-1600-3200-Е	Test medium	Water
Inspection Department	Q.C. Department	Inspection Date	2023.04.20
	Rate of length	change	
Standard requirements	At working pressure ,the rate of length	change should not more that	an $\pm 2\%$
Testing result	10000psi (69.0MPa) ,Rate of length ch	nge 0.8%	
	Hydrostatic te	sting	
Standard requirements	At 1.5 times working pressure, the initi the second pressure-holding period of r		of not less than three minutes, leaks.
Testing result	15000psi (103.5MPa), 3 min for the fir	t time, 60 min for the seco	nd time, no leakage
110 100 90 80 70 60 10 50 50 50 50 50 50 50 50 50 50 50 50 50			
Conclusion	The inspected items meet standard	requirements of API Spec	16C 3 rd edition
Approver]	iaulong Chen Auditor	iging Dong Insp	pector Zhansheng Wang



LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD CERTIFICATE OF CONFORMANCE

№:LT230422014

Product Name: Choke And Kill Hose Product Specification: 3"×10000psi×35ft(10.67m) Serial Number: 7660103~7660110 End Connections: 4-1/16"×10000psi Integral flange for sour gas service

Jiau long Chen

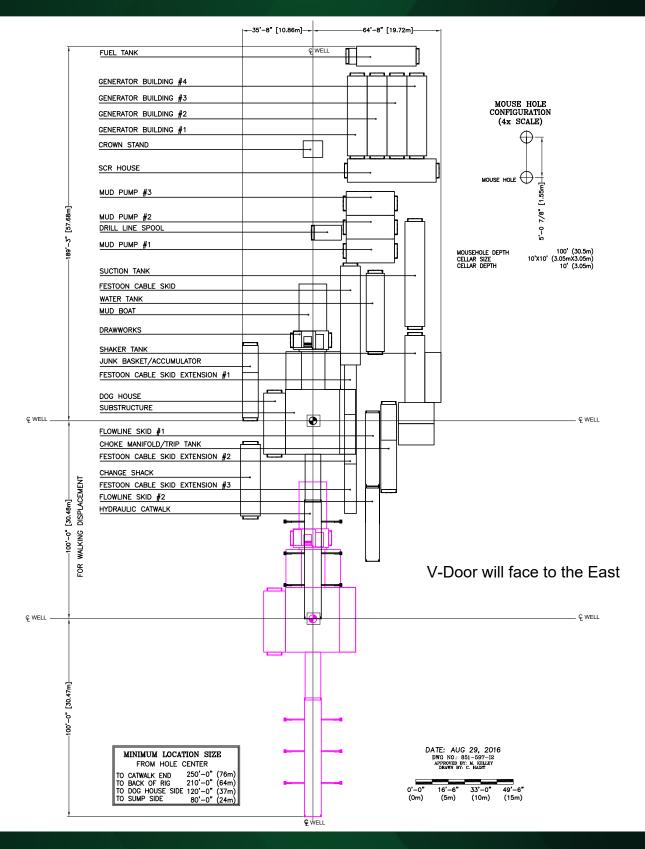
The Choke And Kill Hose assembly was produced by LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD . in April 2023, and inspected by LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD. according to API Spec 16C 3rd edition on April 22, 2023. The overall condition is good. This is to certify that the high pressure steel wire drilling hose assembly complies with all current standards and specifications for API Spec 16C 3rd edition .

QC Manager:

Date:April 22, 2023



RIG LAYOUT



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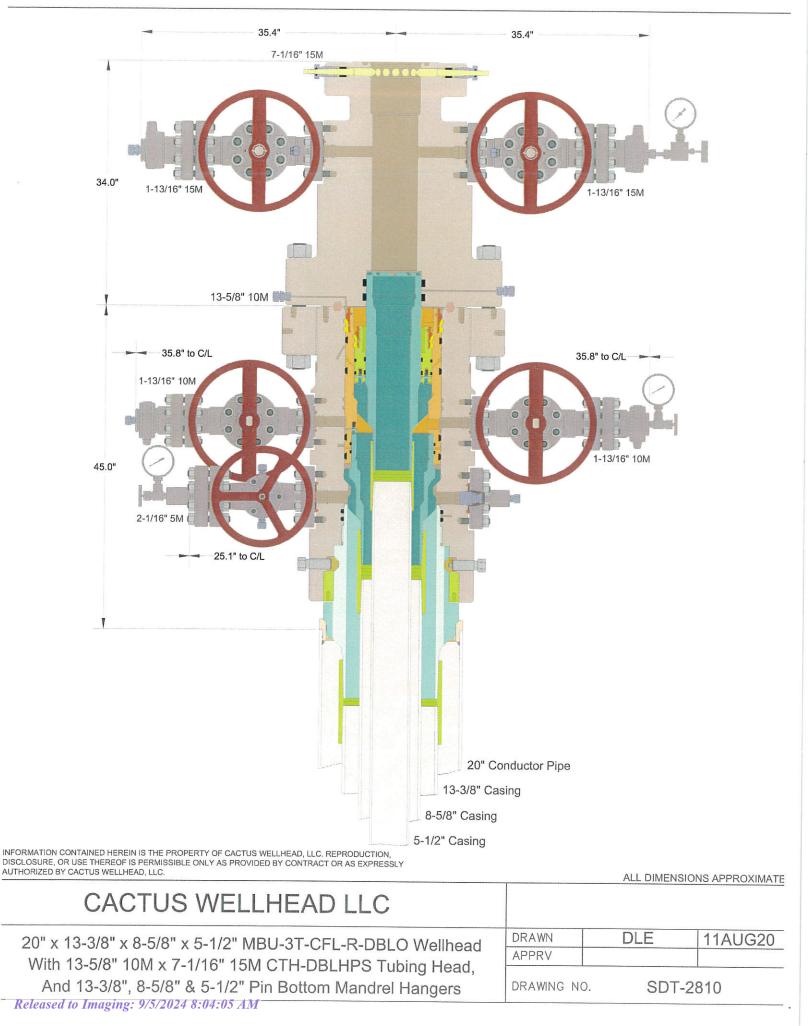
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- in Precision-Drilling
- 🔁 info@PrecisionDrilling.com





Drilling Program

1. ESTIMATED TOPS

Lea County, New Mexico

Formation Name	TVD KB	MD'	Bearing
Rustler	1,565	1,565	Water
Salt	1,870	1,870	N/A
Tansil	N/A		Not Present
Base of Salt	3,115	3,125	N/A
Yates	3,285	3,285	N/A
Seven Rivers	3,710	3,730	N/A
Queen	4,280	4,310	N/A
Grayburg	4,570	4,610	N/A
San Andres	5,100	5,130	N/A
Capitan Reef	N/A		Not Present
Cherry Canyon	5,670	5,710	N/A
Brushy Canyon	6,360	6,400	N/A
Bone Spring Lime	7,860	7,890	N/A
Bone Spring Avalon	7,960	8,000	Hydrocarbons
Bone Spring 1 Sand	9,080	9,130	Hydrocarbons
Bone Spring 2 Carbonate	9,390	9,450	Hydrocarbons
Bone Spring 2 Sand	9,600	9,660	Hydrocarbons
Bone Spring 3 Carbonate	10,155	10,225	Not Encountered
Bone Spring 3 Sand	10,500	10,580	Not Encountered
Wolfcamp XY*	10,785	10,875	Not Encountered
Wolfcamp A*	10,890		Not Encountered
Wolfcamp B	10,930	11,060	Not Encountered
Wolfcamp C	11,420	11,560	Not Encountered
Wolfcamp D	11,530	11,680	Not Encountered
Strawn	12,100	12,100	Not Encountered
Intermediate Casing Point	5,250	5,280	
KOP	9,420	9,550	
TD	10,120	21,105	

2. NOTABLE ZONES

The 2BSS is the goal.

3. PRESSURE CONTROL

A 13.625" 5M Blowout Preventer system will be installed on a multi-bowl (speed head) wellhead with a 13.625" flanged casing spool.

Top flange of casing spool will be set in a cellar below ground level. BOP system will consist of a single pipe ram on the bottom, mud cross, double pipe ram with blind rams on bottom and pipe rams on top, and annular preventer. Blowout preventer will be installed on top of the 13.375" surface casing and will remain installed to TD of the well. Wellhead, blowout preventer, and choke manifold diagram are included.

Variance is requested to use a co-flex hose between the BOP system and choke manifold. A typical co-flex pressure test certificate is attached. An equipment specific co-flex pressure test certificate will be on site when testing the BOP.

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

The BOP system will be isolated and tested by an independent tester to 250 psi low and 5,000 psi high for 10 minutes.per CFR 3172 requirements. The Surface Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and (.22 psi x Length Of Casing, which is equivalent to 1155 psi OR 1,500 psi, whichever is higher) for 30 minutes

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E.G.L. Resources, Inc. Millie Mile 13-24 Fed Com 201H SHL: 208 FNL & 395 FWL' of Section 13-19S-33E BHL: 10 FSL & 660 FWL Section 24-19S-33E Lea County, New Mexico



4. CASING & CEMENT

Variance is requested for an option to use a surface rig to drill the surface hole, set the surface casing, and cement the surface casing. If the schedule between rigs would preclude presetting the surface casing, then the primary rig will MIRU and drill all of the well.

All casing will be API and new. See attached casing assumption worksheet.

Casing Details

Name	Hole Size	Casing Size	Standard	Tapered	Top MD	BTM MD	Top TVD	BTM TVD	Grade	Weight	Thread	Collapse	Burst	Tension
Surface	17 1/2	13 3/8	API	No	0	1,835	0	1835	J-55	54.5	BTC	1.125	1.125	1.6
Intermediate	9 7/8	8 5/8	API	No	0	5,280	0	5,250	P-110 HP	32	Talon HTQ	1.125	1.125	1.6
Production	7 7/8	5 1/2	API	No	0	21,105	0	10,120	P-110 EC	17	DWC/C-IS +	1.125	1.125	1.6

Alternate grades and/or higher weights could be substituted to meet maximum stimulation pressures or due to coupling availability.

Name	Hole Size	Casing Size	Standard	Tapered	Top MD	BTM MD	Top TVD	BTM TVD	Grade	Weight	Thread	Collapse	Burst	Tension
Intermediate	9 7/8	8 5/8	API	No	0	5,280	0	5250	P-110 HP	32	TLW	1.125	1.125	1.6
Production	7 7/8	5 1/2	API	No	0	21,105	0	10120	P-110 EC	<u>20</u>	DWC/C-IS +	1.125	1.125	1.6

Cement Details

Name	Туре	Top MD	Sacks	Yield	Cu. Ft	Weight	Excess	Cement	Additives
Surface	Lead	0	751	2.22	1667.3	12.5	100%	С	Gel, Accelerator, LCM
	Tail	1200	479	1.84	882.3	13.2	100%	С	Gel, Accelerator, LCM
Intermediate	Lead	0	308	4.65	1432.7	10.5	100%	C or H	Fluid Loss, Retarder, LCM, Possibly beads
	Tail	4530	130	1.83	237.9	13.2	100%	C or H	Fluid Loss, Retarder, LCM
Production	Lead	4780	211	4.3	909.4	10.5	20%	Н	Fluid Loss, Retarder, LCM
	Tail	9100	1538	1.68	2583.8	13	20%	Н	Fluid Loss, Retarder, LCM

5. MUD PROGRAM

An electronic PVT mud system will monitor flow rate, pump pressure, stroke rate, and volume. All necessary mud products (barite, bentonite, LCM) to control weight and fluid loss will be on site at all times. Mud program may change due to hole conditions. A closed loop system will be used.

Name	Тор	Bottom	Туре	Mud Weight	Visc	Fluid Loss
Surface	0	1,835'	Water Based Spud Mud	8.30	30-60	NC
Intermediate	1835	5250	Brine	10.20	35-45	NC
Production	5250	21105	Oil Based Mud	9.70	35-65	4-6

6. CORES, TEST, & LOGS

No core or drill stem test is planned. A 2-person mud logging program will be used from ≈3000' to TD. GR log will be acquired by MWD tools from the intermediate casing to TD.

7. DOWN HOLE CONDITIONS

No abnormal pressure or temperature is expected. Maximum anticipated surface pressure is \approx 4351.6 psi. Anticipated bottom hole pressure is \approx 6578 psi. Expected bottom hole temperature is \approx 215° F.

An H2S plan is attached.

8. OTHER INFORMATION

Anticipated spud date is upon approval. It is expected it will take ≈3 months to drill and complete the well.

WAFMSS

APD ID: 10400093825

Well Type: OIL WELL

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

Submission Date: 08/29/2023

Well Number: 201H Well Work Type: Drill

Section 1 - Existing Roads

Operator Name: EGL RESOURCES INCORPORATED

Well Name: MILLIE MILE 13-24 FED COM

Will existing roads be used? YES

Existing Road Map:

PBEX_Millie_Mile_13_24_Fed_Com_Aerial_Map_20240513105924.pdf PBEX_Millie_Mile_13_24_Fed_Com_Aerial_Road_Route_Map_20240513105928.pdf PBEX_Millie_Mile_13_24_Fed_Com_Land_Status_Map_20240513105933.pdf PBEX_Millie_Mile_13_24_Fed_Com_Topo_Map_20240513105937.pdf PBEX_Millie_Mile_13_24_Fed_Com_Vicinity_Map_20240513105940.pdf Existing Road Purpose: ACCESS Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO Existing Road Improvement Description: Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

23_101303_Millie_Mile_13_24_Fed_Com_AR_20240513110019.pdf

Feet

New road type: LOCAL

Length: 523.23

Width (ft.): 30

Max slope (%): 2

Max grade (%): 3

Army Corp of Engineers (ACOE) permit required? N

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water

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Highlighted data reflects the most recent changes Show Final Text

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

turnouts installed as necessary to provide for proper drainage along with access road route.

New road access plan or profile prepared? N

New road access plan

Access road engineering design? N

Access road engineering design

Turnout? N

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: Topsoil will be spread along location to help raise sub grade

Access other construction information: Caliche will be from Kenneth Smith's property of which we will have an SUA prior to disturbance. The material meets BLM requirements ad standards. Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. **Road Drainage Control Structures (DCS) description:** None

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

PBEX_Millie_Mile_13_24_Fed_Com_201H_Existing_Wells_Map_20240513110301.pdf PBEX_Millie_Mile_13_24_Fed_Com_201H_Existing_Wells_Map_Pg2_20240513121048.pdf

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? DEFER

Estimated Production Facilities description: One pad was staked with the BLM for construction and use as Central Tank Batteries (CTBs). The facility is the Millie Mile 13-24 Fed Com Central Tank Battery. A 3160-5 sundry notification will be submitted after construction with a site-security diagram and layout of the facility with associated equipment.

Section 5 - Location ar	nd Types of Water Suppl	ly
Water Source Tab	le	
Water source type: GW WELL		
Water source use type:	DUST CONTROL	
	SURFACE CASING	
	INTERMEDIATE/PRODUCTION CASING	N
Source latitude: 32.623993		Source
Source datum: NAD83		
Water source permit type:	WATER WELL	
	PRIVATE CONTRACT	
Water source transport method:	TRUCKING	
	PIPELINE	
Source land ownership: FEDERAL	-	
Source transportation land owner	ship: FEDERAL	
Water source volume (barrels): 10	00000	Source
Source volume (gal): 4200000		

Water source and transportation

PBEX_Millie_Mile13_24_Fed_Com_Water_Source_Map_20240513110410.pdf

Water source comments: The oil/gas production wells will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from Ranger Water Resources and hauled to the location by transport truck or lay-flat lines using the existing and proposed roads depicted in the attached exhibits. No water well will be drilled on the location.

New water well? N

Operator Name: EGL RESOURCES INCORPORATED

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

New Water Well Info

	Mall Longitude.	
Well latitude:	Well Longitude:	Well datum:
Well target aquifer:		
Est. depth to top of aquifer(ft):	Est thickness of aqu	uifer:
Aquifer comments:		
Aquifer documentation:		
Well depth (ft):	Well casing type:	
Well casing outside diameter (in.):	Well casing inside dia	meter (in.):
New water well casing?	Used casing source:	
Drilling method:	Drill material:	
Grout material:	Grout depth:	
Casing length (ft.):	Casing top depth (ft.):	
Well Production type:	Completion Method:	
Water well additional information:		
State appropriation permit:		
Additional information attachment:		

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: Any construction material that may be required for surfacing the drill pad and access road will be from Kenneth Smith's caliche pit, all materials are BLM approved. **Construction Materials source location**

PBEX_Millie_Mile_13_24_Fed_Com_Caliche_Source_Map_20240513110626.pdf

Section 7 - Methods for Handling

Waste type: DRILLING

Waste content description: Drill cuttings, drilling fluids, produced oil/water, other chemicals.

Amount of waste: 550 barrels

Waste disposal frequency : Daily

Safe containment description: Will be stored in steel pits until they are hauled to a state-approved disposal facility.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: COMMERCIAL FACILITY

Disposal type description:

Disposal location description: Will be hauled to a state-approved disposal facility.

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Waste content description: Black and Grey Water

Amount of waste: 5 barrels

Waste disposal frequency : Daily

Safe containment description: Will be contained in plastic chemical toilets and disposed of properly at a state approved disposal site.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL **Disposal location ownership:** COMMERCIAL FACILITY

Disposal type description:

Disposal location description: Will be disposed of properly at a state approved disposal site.

Waste type: GARBAGE

Waste content description: Trash

Amount of waste: 10 barrels

Waste disposal frequency : Daily

Safe containment description: Portable Trash Cage

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL **Disposal location ownership:** COMMERCIAL FACILITY

Disposal type description:

Disposal location description: All trash will be disposed of properly at a state approved disposal facility.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit? NO

Reserve pit length (ft.) Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? N

Operator Name: EGL RESOURCES INCORPORA	TED
Well Name: MILLIE MILE 13-24 FED COM	Well Number: 201H
<	
Description of cuttings location	
Cuttings area length (ft.)	Cuttings area width (ft.)
Cuttings area depth (ft.)	Cuttings area volume (cu. yd.)
	Cuttings area volume (cu. yd.)
Cuttings area depth (ft.) Is at least 50% of the cuttings area in cut? WCuttings area liner	Cuttings area volume (cu. yd.)

Section 8 - Ancillary

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities

Comments:

Section 9 - Well Site

Well Site Layout Diagram:

23_101303_Millie_Mile_13_24_Fed_Com_SS_20240513110654.pdf 23_101303_Millie_Mile_13_24_Fed_Com_Site_Plan_20240513110658.pdf **Comments:**

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: Millie Mile 13-24 Fed Com

Multiple Well Pad Number: 1

Recontouring

Drainage/Erosion control construction: The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along with access road route. **Drainage/Erosion control reclamation:** No reclamation needed.

	Well pad long term disturbance (acres): 0
	Road long term disturbance (acres): 0
ipeline interim reclamation (acres): 0	(acres): 0
o	oad interim reclamation (acres): 0 owerline interim reclamation (acres): peline interim reclamation (acres): 0

eceived by OCD: 8/19/2024 12:41:53 PM	[Page 61 of
Operator Name: EGL RESOURCES I	NCORPORATED	
Well Name: MILLIE MILE 13-24 FED 0	COM Well Number:	: 201H
Fotal proposed disturbance: 7.63	Total interim reclamation: 0	Total long term disturbance: 0
Disturbance Comments:		
needed at this site until all wells have be	een plugged and abandoned. ockpiled topsoil will be placed in the lo	ell locations, there will not be any reclamation w spots, mainly the wester 1/3 of the location to ocation as staked.
Soil treatment: None		
Existing Vegetation at the well pad: S	Shinnery oak, mesquite, grasses	
Existing Vegetation at the well pad		
Existing Vegetation Community at th	e road: Shinnen/ oak mesquite gras	505
Existing Vegetation Community at th		505
Existing Vegetation Community at th		irasses
Existing Vegetation Community at th		
Existing Vegetation Community at ot	her disturbances: Shinnery oak, mes	squite, grasses
Existing Vegetation Community at ot	her disturbances	
Non native seed used? N		
Non native seed description:		
Seedling transplant description:		
Will seedlings be transplanted for thi	s project? N	
Seedling transplant description		
Will seed be harvested for use in site	reclamation? N	
Seed harvest description:		
Seed harvest description attachment	:	
Seed		
Seed Table		

Seed Summary

Total pounds/Acre:

•

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Seed Type Seed reclamation

Operator Contact/Responsible Official

Pounds/Acre

First Name: Mikah

Phone: (432)661-7106

Last Name: Thomas

Email: mikah@pbex.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? N

Existing invasive species treatment description:

Existing invasive species treatment

Weed treatment plan description: Weed treatment will be performed on an as needed basis. If African rue is spotted, EGL Resources will enter into an agreement with the Carlsbad Soil and Water Conservation District.

Weed treatment plan

Monitoring plan description: Once the wells have been plugged and abandoned, EGL Resources will ensure full reclamation of the pad to BLM Standards. Monitoring plan

Success standards: Once the wells have been plugged and abandoned, EGL Resources will ensure full reclamation of the pad to BLM Standards.

Pit closure description: No Pits will be used, a closed-loop system will be in place.

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: EXISTING ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT, PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

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Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: AGREEMENT

Surface Access Agreement Need description: SUA with Kenneth Smith will be signed and approved prior to any disturbance. Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: NEW ACCESS ROAD **Describe:** Surface Owner: BUREAU OF LAND MANAGEMENT, PRIVATE OWNERSHIP Other surface owner description: **BIA Local Office: BOR Local Office: COE Local Office: DOD Local Office: NPS Local Office:** State Local Office: Military Local Office: **USFWS Local Office: Other Local Office: USFS Region: USFS Forest/Grassland: USFS Ranger District:**

Operator Name: EGL RESOURCES INCORPORATED

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: AGREEMENT

Surface Access Agreement Need description: SUA with Kenneth Smith will be signed and approved prior to any disturbance. Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT, PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Use APD as ROW?

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: AGREEMENT

Surface Access Agreement Need description: SUA with Kenneth Smith will be signed and approved prior to any disturbance. Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other

Right of Way needed? N

ROW Type(s):

ROW

SUPO Additional Information:

Use a previously conducted onsite? Y

Previous Onsite information: Onsite review was done on April 9, 2024 with Chaz Sartin.

Other SUPO

New_Millie_Mile_SUPO_Pad_Move_20240513122044.pdf

EGL Resources, LLC→ Millie Mile 13-24 Fed Com

Well Site Locations

The results of the Millie Mile 13-24 Fed Com will develop economic quantities of oil and gas with multiple primary formations targeted. Well locations are determined based on cross-section variations and details. Locations will be selected to minimize the likelihood of encountering faults and/or drilling hazards while still targeting suitably productive zones. If drilling results in an unproductive well, the well will be plugged and abandoned as soon as practical after the conclusion of production testing. Productive wells may be shut-in temporarily for BLM authorization for production activities and facilities.

Millie Mile 13-24 Fed Com

- Millie Mile 13-24 Fed Com 603H
- Millie Mile 13-24 Fed Com 102H
- Millie Mile 13-24 Fed Com 202H
- Millie Mile 13-24 Fed Com 201H
- Millie Mile 13-24 Fed Com 101H
- Millie Mile 13-24 Fed Com 601H
- Millie Mile 13-24 Fed Com 801H
- Millie Mile 13-24 Fed Com 602H

Surface Use Plan

1. Existing Roads

A. From the intersection of US-180 and NM-18 in Hobbs, NM, Go West on US-180 Approx 15 miles. At the intersection of US-180 and NM-529 take a left and continue to go southwest on US-180 approx. 14.9 miles. Turn right onto existing lease road and go northwest approx. 2.08 miles. Turn right onto existing lease road and go northeast approx. 2.02 miles. Turn left onto existing lease road and go north approx. 1.92 miles. Turn left onto existing lease road and access roads and go west approx. 1.46 miles to northeast pad corner.

B. Transportation Plan identifying existing roads that will be used to access the project area is included from Coosa, LLC. marked as, 'Vicinity Map, Aerial Map, Aerial Road Route Map, Land Status Map, and Topo Map'.

C. All equipment and vehicles will be confined to the routes shown on the 'Vicinity Map, Aerial Map, Aerial Road Route Map, Land Status Map, and Topo Map' as provided by Coosa, LLC. D. Maintenance of the access roads will continue until abandonment and reclamation of the well pads has been completed.

2. New or Upgraded Access Roads

A. **New Roads**. There are a total of approximately 523.23 feet of proposed and staked access roads to access the Millie Mile 13-24 Fed Com pad shown on the 'AR Map'.

B. Well Pads. The Millie Mile 13-24 Fed Com Aerial Road Route Map shows the location of the proposed road that will need to be constructed to access the well pad.

C. Anticipated Traffic. After well completion, travel to each well site will include one lease operator truck and two oil trucks per day until the Central Tank Batteries are completed. Upon completion of the Central Tank Batteries, one lease operator truck will continue to travel to each well site to monitor the working order of the wells and to check well equipment for proper operation. Two oil trucks will continue to travel to the Central Tank Batteries only for oil hauling until connected to a pipeline. Additional traffic will include one maintenance truck periodically throughout the year for pad upkeep and weed removal. Well service trips will include only the traffic necessary to work on the wells or provide chemical treatments periodically and as needed throughout the year.

D. **Routing**. All equipment and vehicles will be confined to the travel routes laid out in the 'Vicinity Map' provided by Coosa, LLC.

E. **Road Dimensions**. The maximum width of the driving surface of new roads will be 14 feet. The roads will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.

F. **Surface Material**. Surface material will be native caliche. The average grade of all roads will be approximately 3%.

G. Fence Cuts: None.

H. Fences: None.

I. Cattle Guards: None.

J. **Turnouts**: None.

K. Culverts: None.

L. Cuts and Fills: Not significant.

M. **Topsoil**. Approximately 6 inches of topsoil (root zone) will be stripped from the proposed access road and pad prior to any construction activity. The stripped topsoil will be spread along the western 1/3 of the location to help raise the sub grade and will be available to fill slopes inside the location as staked.

N. **Maintenance**. The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along with access road route.

O. **Drainage**. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

3. Location of Existing Wells

A. See attached Existing Wells map.

4. Ancillary Facilities

A. No off-pad ancillary facilities are planned during the exploration phase including, but not limited to campsites, airstrips or staging areas.

5. Location of Proposed Production Facilities

A. **Production Facilities**. One pad was staked with the BLM for construction and use as Central Tank Batteries (CTBs). The facility is the Millie Mile 13-24 Fed Com Central Tank Battery. A 3160-5 sundry notification will be submitted after construction with a site-security diagram and layout of the facility with associated equipment.

B. **Buried & Surface Flowlines**. Plans for this have not been determined. Prior to any flowlines being constructed, a 3160-5 will be submitted for approval.

C. **Midstream Tie-In**. Midstream tie-in connections have not been finalized. Third party midstream company will acquire all necessary rights-of-way. If corridors are found needed in the future, they will be applied for via 3160-5.

D. **Disposal Facilities**. Produced water will be hauled from the location to a commercial disposal facility prior to being tied into a salt water disposal flowline.

E. **Flare**. Flare determination has not been finalized. Prior to construction, this will be submitted on a 3160-5.

F. **Aboveground Structures**. All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted earth-tone colors such as 'shale green' to reduce the visual impacts of the built environment.

G. **Containment Berms**. Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed of compacted subsoil, be sufficiently impervious, hold 1.5 times the capacity of the largest tank and away from cut or fill areas.

H. **Electrical**. Electrical lines have not been finalized. Prior to any construction, a 3160-5 will be submitted for approval.

6. Location and Types of Water Supply

The oil/gas production wells will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from Ranger Water Resources and hauled to the location by transport truck or lay-flat lines using the existing and proposed roads depicted in the attached exhibits. No water well will be drilled on the location. Shown on attached 'Water Source Map.'

Anticipated water usage for drilling includes an estimated 50,000 barrels bbls of water and anticipated water usage for completion includes an estimated 1,950,000 bbls of water for each horizontal well in a combination of fresh water and brine as detailed in the mud program in the drilling plans. These volumes are calculated with excess to accommodate any lost circulation or wash out that may occur. Actual water volumes used during operations will depend on the depth of the well, length of horizontal sections, and the losses that may occur during the operation.

7. Construction Activities

A. Construction, reclamation, and/or routine maintenance will not be conducted during periods when the soil conditions for construction could lead to impacts to the surrounding environment, or when watershed damage is likely to occur because of these activities.

B. Any construction material that may be required for surfacing the drill pad and access road will be from a contractor having a permitted source of materials within the general area. No construction materials will be removed from federal lands without prior approval from the appropriate surface management agency. All roads and well pads will be constructed of 6" rolled and compacted caliche.

C. Anticipated Caliche Location will be from Kenneth Smith, attached map 'caliche source' is attached.

8. Methods for Handling Waste • Cuttings. The well will be drilled utilizing a closed-loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to a New Mexico Oil Conservation Division (NMOCD) approved disposal site.

• **Drilling Fluids**. These will be contained in steel mud pits and then taken to a NMOCD approved commercial disposal facility.

• **Produced Fluids**. Water produced from the well during completion will be held temporarily in steel tanks and then taken to a NMOCD approved commercial disposal facility. Oil produced during operations will be stored in tanks until sold.

• **Sewage**. Portable, self-contained toilets will be provided for human waste disposal. Upon completion of drilling and completion activities, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to the disposal of human and solid waste will be complied with. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

• **Garbage and Other Waste Materials.** All garbage, junk and non-flammable waste materials will be contained in a self-contained, portable dumpster or trash cage, to prevent scattering and will be removed and deposited in an approved sanitary landfill. Immediately after drilling all debris and other waste materials on and around the well location not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location.

• **Debris**. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned and removed from the well location. No potential adverse materials or substances will be left on location.

- • Hazardous Materials. i. All drilling wastes identified as hazardous substances by the Comprehensive Environmental Response Compensation Liability Act (CERCLA) removed from the location, and not reused at another drilling location, will be disposed of at a hazardous waste facility approved by the U.S. Environmental Protection Agency (EPA).

- ii. EGL Resources, LLC. and its contractors will comply with all applicable Federal, State, and local laws and regulations, existing or hereafter enacted/promulgated, regarding any hazardous material, as defined in this paragraph, that will be used, produced, transported or stored on the oil and gas lease. "Hazardous material" means any substance, pollutant or

contaminant that is listed as hazardous under the CERCLA of 1980, as amended, 42 U.S.C 9601 et seq., and its regulation. The definition of hazardous substances under CERLCA includes any "hazardous waste" as defined in the RCRA of 1976, as amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous material also includes any nuclear or nuclear by-product material as defined by the Atomic Energy Act of 1954, as amended, 42 U.C.S. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101 (14) U.S.C. 9601 (14) nor does the term include natural gas.

 $-\,$ iii. No hazardous substances or waste will be stored on location after completion of the well.

- iv. Chemicals brought to location will be on the Toxic Substance Control Act (TSCA) approved inventory list.

- v. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in Notice to Lessees (NTL) 3A will be reported to the BLM Carlsbad Field Office. Major events will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days.

9. Well Site Layout

A. **Rig Plat Diagrams**: There is one multi-well pad for the Millie Mile 13-24 Fed Com lease anticipated. This will allow enough space for cuts and fills, and storm water control. Well site layout is attached. This is currently an 8-well pad but should have additional room if there were to be additional wells added to the plan. Maps 'Site Plan and SS' are attached.

B. **Closed-Loop System**: There will be no reserve pit as each well will be drilled utilizing a closed loop mud system. The closed loop system will meet the NMOCD requirements 19.15.17. C. **V-Door Orientation**: The pad was staked with v-door orientation to the East.

D. All equipment and vehicles will be confined to the approved disturbed areas of this APD (i.e., access road and well pad).

10. Plans for Surface Reclamation:

Due to the facility being on the same pad as the well locations, there will not be any reclamation needed at this site until all wells have been abandoned.

The original stockpiled topsoil will be placed in the low spots, mainly the western 1/3 of the location to help raise the sub grade. It will also be used to fill slopes that are inside the location as staked.

11. Surface Ownership

A. 100% of the Millie Mile 13-24 Fed Com project area is under the administrative jurisdiction of the Bureau of Land Management.

Kenneth Smith is the grazing allottee, there will be an SUA agreed upon and approved prior to any disturbance.

B. The surface is multiple use with the primary uses of the region for grazing and to produce oil and gas.

12. Other Information

Surveying

• Well Sites. Well pad locations have been staked. Surveys of the proposed access roads and well pad locations have been completed by Coosa, LLC, a registered professional land surveyor. Center stake surveys with access roads have been completed on Federal lands with Chaz Sartin, Bureau of Land Management Natural Resource Specialist in attendance, on April 9, 2024.

• **Cultural Resources** – **Archaeology**: A Class III Cultural Resources Examination has been completed on the entire pad by Resi Solutions and the results will be forwarded to the BLM Office.

• **Dwellings and Structures**. There are no dwellings or structures within 2 miles of this location.

Soils and Vegetation

• Environmental Setting. Soils are classified as peyote soils and dune land (0-3% slopes) and KD-Kermit palomas (0-3% slopes). Maxie Fish, CHEMM and Cassie Aguillard, Bureau of Land Management Biologist were both at the onsite and said dunes in the SE corner as so isolated and

with the mesquite taking over, the Millie Mile 13-24 Fed Com pad would not affect the DSL habitat.

• **Traffic**. No truck traffic will be operated during periods or in areas of saturated ground when surface rutting could occur. The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along the access road route.

• Water. There is no permanent or live water in the immediate or within the project area.

13. Bond Coverage

Bond Coverage is Nationwide. Bond Number: COB 21235

Operator's Representatives:

EGL Resources, Inc. representatives for ensuring compliance of the surface use plan are listed below: Mikah Thomas Regulatory Manager EGL Resources, LLC 223 West Wall Street, Suite 900 Midland, Texas 79701 432-661-7106 Onsite: April 9, 2024, with Chaz Sartin- Bureau of Land Management NRS Cassie Aguillard- BLM Biologist Maxie Fish- CHEMM Jason Hawley- Construction Foreman Tracy- Kenneth Smith's Field Representative



Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined

Would you like to utilize Lined Pit PWD options? N Produced Water Disposal (PWD) Location: PWD surface owner: Lined pit PWD on or off channel: Lined pit PWD discharge volume (bbl/day): Lined pit Pit liner description: **Pit liner manufacturers** Precipitated solids disposal: Decribe precipitated solids disposal: Precipitated solids disposal Lined pit precipitated solids disposal schedule: Lined pit precipitated solids disposal schedule Lined pit reclamation description: Lined pit reclamation Leak detection system description: Leak detection system

PWD disturbance (acres):

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Lined pit Monitor description:

Lined pit Monitor

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information

Section 3 - Unlined

Would you like to utilize Unlined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD disturbance (acres):

PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule

Unlined pit reclamation description:

Unlined pit reclamation

Unlined pit Monitor description:

Unlined pit Monitor

Do you propose to put the produced water to beneficial use?

Beneficial use user

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic

State

Unlined Produced Water Pit Estimated

Unlined pit: do you have a reclamation bond for the pit?

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

PWD disturbance (acres):

Injection well name:

Injection well API number:

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information

Section 4 -

Would you like to utilize Injection PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Assigned injection well API number?

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection

Underground Injection Control (UIC) Permit?

UIC Permit

Section 5 - Surface

Would you like to utilize Surface Discharge PWD options? N

 Produced Water Disposal (PWD) Location:

 PWD surface owner:
 PWD disturbance (acres):

 Surface discharge PWD discharge volume (bbl/day):
 PWD disturbance (acres):

 Surface Discharge NPDES Permit?
 Surface Discharge NPDES Permit attachment:

 Surface Discharge site facilities information:
 Surface discharge site facilities map:

 Section 6 Section 6

Would you like to utilize Other PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner:

Other PWD discharge volume (bbl/day):

PWD disturbance (acres):

Well Name: MILLIE MILE 13-24 FED COM

Well Number: 201H

Other PWD type description:

Other PWD type

Have other regulatory requirements been met?

Other regulatory requirements

WAFMSS

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

APD ID: 10400093825 Operator Name: EGL RESOURCES INCORPORATED Well Name: MILLIE MILE 13-24 FED COM Well Type: OIL WELL

Submission Date: 08/29/2023

in the second

Well Number: 201H Well Work Type: Drill Highlighted data reflects the most recent changes <u>Show Final Text</u>

08/15/2024

Bond Info Data

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Bond

Federal/Indian APD: FED

BLM Bond number: NM2693

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information

Submit Electronically

Via E-permitting

State of New Mexico Energy, Minerals and Natural Resources Department

> 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.

<u>Section 1 – Plan Description</u> <u>Effective May 25, 2021</u>

I. Operator: <u>PBEX Operations, LLC.</u> OGRID: <u>332544</u> Date: <u>08/15/2024</u>.

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

If Other, please describe: _

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Millie Mile 13-24 Fed Com 101H	30-025-	D-13-19S-33E	208 FNL 375 FWL	922	3105	2104
Millie Mile 13-24 Fed Com 102H	30-025-	D-13-19S-33E	208 FNL 435 FWL	922	3105	2104
Millie Mile 13-24 Fed Com 201H	30-025-	D-13-19S-33E	208 FNL 395 FWL	1176	1733	2585
Millie Mile 13-24 Fed Com 202H	30-025-	D-13-19S-33E	208 FNL 415 FWL	1176	1733	2585
Millie Mile 13-24 Fed Com 601H	30-025-	D-13-19S-33E	204 FNL 175 FWL	1142	3348	4174
Millie Mile 13-24 Fed Com 602H	30-025-	D-13-19S-33E	244 FNL 175 FWL	1142	3348	4174
Millie Mile 13-24 Fed Com 603H	30-025-	D-13-19S-33E	208 FNL 455 FWL	1142	3348	4174
Millie Mile 13-24 Fed Com 801H	30-025-	D-13-19S-33E	224 FNL 175 FWL	740	6964	3684

IV. Central Delivery Point Name: Millie Mile 13-24 Fed Com Battery [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Millie Mile 13-24 Fed Com 101H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 102H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 201H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 202H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 601H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 602H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 603H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025
Millie Mile 13-24 Fed Com 801H	30-025-	10/1/2025	10/16/2025	11/1/2025	11/28/2025	11/28/2025

VI. Separation Equipment: 🛛 Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: \boxtimes Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: 🛛 Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \Box 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 \Box will \Box 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 \Box does \Box 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).

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

XIV. Confidentiality: \Box 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.

<u>Section 3 - Certifications</u> <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

 \boxtimes 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

 \Box 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. \Box 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. \Box 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: Markelw
Printed Name: Mikah Thomas
Title: Regulatory Manager
E-mail Address: mikah@pbex.com
Date: 8/19/2024
Phone: 432.661.7106
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

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NATURAL GAS MANAGEMEN PLAN

EGL Resources, Inc

VI. Separation Equipment:

Separation equipment installed at each EGL facility is designed for maximum anticipated throughput and pressure to minimize waste. Separation equipment is designed and built according to ASME Sec VIII Div I to ensure gas is separated from liquid streams according to projected production.

VII./VIII. Operational & Best Management Practices:

1. General Requirements for Venting and Flaring of Natural Gas:

• In all circumstances, EGL will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.

• EGL installs and operates vapor recovery units (VRUs) in new facilities to minimize venting and flaring. If a VRU experiences operating issues, it is quickly assessed so that action can be taken to return the VRU to operation or, if necessary, facilities are shut-in to reduce the venting or flaring of natural gas.

2. During Drilling Operations:

• Flare stacks will be located a minimum of 110 feet from the nearest surface hole location.

• If an emergency or malfunction occurs, gas will be flared or vented to avoid a risk of an immediate and substantial adverse impact on public health, safety or the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.

• Natural gas is captured or combusted if technically feasible using best industry practices and control technologies, such as the use of separators (e.g., Sand Commanders) during normal drilling and completions operations.

3. During Completions:

• EGL typically does not complete traditional flowback, instead EGL will flow produced oil, water, and gas to a centralized tank battery and continuously recover salable quality gas. If EGL completes traditional flowback, EGL conducts reduced emission completions as required by 40 CFR 60.5375a by routing gas to a gas flow line as soon as practicable once there is enough gas to operate a separator. Venting does not occur once there is enough gas to operate a separator

• Normally, during completion, a flare is not on-site. A Snubbing Unit will have a flare on-site, and the flare volume will be estimated.

• If natural gas does not meet pipeline quality specifications, the gas is sampled twice per week until the gas meets the specifications.

4. During Production:

• An audio, visual and olfactory (AVO) inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.

• Monitor manual liquid unloading for wells on-site, takes all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time and takes reasonable actions to minimize venting to the maximum extent practicable.

• In all circumstances, EGL will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.

• EGL's design for new facilities utilizes air-activated pneumatic controllers and pumps.

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NATURAL GAS MANAGEMEN PLAN

EGL Resources, Inc

• If natural gas does not meet pipeline quality specifications, the gas is sampled twice per week until the gas meets the specifications.

• EGL does not produce oil or gas until all flowlines, tank batteries, and oil/gas takeaway are installed, tested, and determined operational.

5. Performance Standards

• Equipment installed at each facility is designed for maximum anticipated throughput and pressure to minimize waste. Tank pressure relief systems utilize soft seated or metal seated PSVs, as appropriate, which are both designed to not leak.

• Flare stack has been designed for proper size and combustion efficiency. The new flares will have a continuous pilot and will be located at least 100 feet from the well and storage tanks and will be securely anchored.

• New tanks will be equipped with an automatic gauging system.

• An AVO inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.

6. Measurement or Estimation of Vented and Flared Natural Gas

• EGL estimates or measures the volume of natural gas that is vented, flared, or beneficially used during drilling operations, regardless of the reason or authorization for such venting or flaring.

• Where technically practicable, EGL will install meters on flares installed after May 25, 2021. Meters will conform to industry standards. Bypassing the meter will only occur for inspecting and servicing of the meter.

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

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

District III

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

District IV

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

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

CONDITIONS

Operator:	OGRID:
PBEX Operations, LLC	332544
223 West Wall Street	Action Number:
Midland, TX 79701	375138
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	9/5/2024
pkautz	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	9/5/2024
pkautz	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	9/5/2024
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	9/5/2024
pkautz	If cement does not circulate on any string, a CBL is required for that string of casing	9/5/2024

CONDITIONS

Action 375138